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Japan

U.S. Interpretation of Talks Said Different

OW2204131694 Tokyo KYODO in English 1306 GMT 22 Apr 94

[Text] Tokyo, April 22 KYODO—Japan and the United States have fundamentally different interpretations of the overall goal of the so-called "framework" trade talks, a senior Trade Ministry official said Friday.

The perception gap emerged during the latest meeting between Japanese Foreign Minister Tsutomu Hata and U.S. Trade Representative Mickey Kantor in Marrakech, Morocco, said the official at the Ministry of International Trade and Industry (MITI), who declined to be named.

The MITI official was referring to "basic objectives" mentioned in the joint statement on the Japan-U.S. framework, which was issued after the summit meeting between then Japanese Prime Minister Kiichi Miyazawa and U.S. President Clinton in Tokyo in July last year.

"The U.S. interpretation was found to be fundamentally different from Japan's understanding," said the official, who attended the Hata-Kantor meeting on April 15 in Morocco.

But the official did not explain the difference. He also refrained from specifying which part of the joint statement was discussed during the Marrakech meeting.

The Hata-Kantor meeting fell short of setting a specific time for resumption of the stalled framework talks.

The MITI official said that Kantor requested Tokyo to give a "satisfactory" answer to U.S. proposals made during the Marrakech meeting on three areas—macroeconomic areas, objective criteria and overall goal. But the official declined to reveal details of the proposals.

The MITI official said the U.S. proposals on the three areas were "far from" acceptable for Tokyo. He said Tokyo will make a reply to these proposals by sending an official to Washington probably after the Golden Week holiday season ending on May 8.

The Japanese understanding is that Washington is prepared to reopen the framework talks through informal channels, only when the Japanese answer is found "satisfactory," the MITI official said.

During the Hata-Kantor meeting, Kantor sounded "softer" on the issue of numerical targets, the idea of which Hata flatly dismissed at the outset of the meeting, the MITI official said. But the official did not elaborate, only saying Kantor did not show any response.

Asked if the Japan-U.S. trade ties have worsened after the Hata-Kantor meeting compared with the situation immediately after the February 11 breakdown of the summit, the MITI official said it is difficult to judge. Tokyo could avoid discussing the conceptual gap over the "basic objectives," if it focuses on sector-by-sector discussion, the official said.

Coalition Representatives Decide To Endorse Hata

OW2104234794 Tokyo KYODO in English 2325 GMT 21 Apr 94

[Text] Tokyo, April 22 KYODO—Heads of the ruling coalition will endorse Foreign Minister Tsutomu Hata on Friday [22 April] afternoon as a candidate for prime minister as coalition representatives struck a deal on a draft policy platform for a new cabinet early Friday. The prime ministerial election in both houses of the Diet is expected to be held Monday.

Hata, concurrently deputy prime minister, is certain to be elected prime minister because the coalition has a majority in the 511-seat House of Representatives.

Secretaries general-level representatives of the ruling parties reconciled their positions early Friday on two key policies—Japan's response to North Korea's alleged nuclear weapons program and tax system reform.

The coalition executives also decided to ask all coalition chiefs to convene a meeting around 2 PM [0500 GMT] Friday to endorse the draft policy platform and name a candidate to succeed departing Prime Minister Morihiro Hosokawa, who suddenly announced April 8 his intention to resign over financial improprieties.

Tomiichi Murayama, chairman of the Social Democratic Party (SDP), the largest force in the seven-party coalition, told a news conference early Friday that Hata, who leads Shinseito, is the best candidate from a common sense viewpoint. He also denied speculation that he will become deputy prime minister. Murayama currently does not hold a cabinet post.

Talks among the coalition partners had remained at an impasse over how to find common ground to document policies in two key areas—tax reform and the North Korean nuclear issue.

Earlier Thursday, all the coalition parties other than the SDP spurned its demands to play down the wording on tax reform and the North Korean nuclear issue in a policy document for a new cabinet, officials said.

The SDP earlier threatened to leave the alliance because of differences on the key issues but decided to remain in the coalition by seeking a compromise.

The representatives agreed on a phrase requiring the government to seek "cooperation with Asian nations concerned" in addition to the United States and South Korea in the event of an emergency over North Korea's alleged nuclear program.

The agreement was made after the SDP conceded its demand on the inclusion in the coalition's policy paper of a phrase obligating the government to consult with China, as well as the U.S. and South Korea, if the United

Nations decides to slap economic sanctions on North Korea. The SDP has friendly ties with Pyongyang.

On tax system reform, the coalition parties agreed on a plan to revamp the current tax system with a phrase seeking reform based on "public understanding" through possible revision or elimination of the existing consumption tax but focusing attention on raising indirect taxes.

The SDP demanded that the term "national consensus" be inserted into the policy document as a prerequisite for a hike in indirect taxes, while other parties call for inserting an indication of their readiness to hike the consumption tax from the current 3 percent.

The SDP had demanded the abolition of the 1989 consumption tax, a value-added tax, in exchange for a compromise that calls for creation of a new indirect levy with public consensus. The SDP scored a victory in the 1989 House of Councillors elections campaigning against the consumption tax.

In February, Hosokawa was forced to scrap a plan to introduce a 7 percent "national welfare tax" to offset a 6 trillion yen tax cut in place of the consumption tax in the face of strong opposition from the SDP.

Joint News Conference Held

OW2204101594 Tokyo NHK General Television Network in Japanese 0608 GMT 22 Apr 94

[Statements by Social Democratic Party of Japan (SDPJ) Chairman Tomiichi Murayama, Komeito Chairman Koshiro Ishida, and Democratic Socialist Party (DSP) Chairman Keigo Ouchi at a joint news conference with unidentified correspondents at the Diet building in Tokyo—live]

[Text] [Murayama] I am Murayama of the Social Democratic Party of Japan [SDPJ]. Since the moderator asked me to explain the details of what we discussed at the party leaders' meeting, I will now do so.

The party leaders' meeting started at 1400 [0500 GMT] in the Standing Committee chairman's room. As has been explained, Prime Minister Morihiro Hosokawa acted as chairman of the meeting. As the moderator said, we had long discussions at the meeting. I am sure all of you have a list of what we discussed and confirmed at the meeting. The party leaders confirmed a total of 10 policies—nine policies plus one supplementary policy—and signed an agreement. After the discussions, Chairman Hosokawa said he wanted to discuss with us the selection of a candidate for the next prime minister. I immediately said that I wanted to recommend Tsutomu Hata, who served as deputy prime minister of the Hosokawa administration, for the post, saying that he is the most suitable candidate. After each party leader explained his opinion, the meeting unanimously endorsed Tsutomu Hata as a candidate for the next premiership. After that, the meeting was ended. That is what we discussed at the meeting.

[Unidentified moderator] Now, I would like to ask the Komeito chairman to speak.

[Ishida] We had serious policy debate during the past two weeks. As a result of it, we reached an agreement on the items needed to be confirmed for formation of a new coalition government. After agreeing on the items, we decided to recommend Tsutomu Hata as the next prime minister. Now we have agreed on formation of the second coalition government, I feel that each party has shouldered quite a heavy responsibility.

Moreover, the opening paragraph of the policy agreement states that we will unite under the banner of reform, which the Hosokawa administration called for, to regain the people's trust in politics. Because of this, I think that continuation of efforts for realization of reform is one of the main tasks of the second coalition government. Moreover, various opinions were expressed during the policy debate and I think it is a very important task of the new coalition government to play a responsible role in dealing with the international situation.

Another task is that we have to start budget deliberations as soon as possible to accelerate economic recovery. Steady economic recovery is the major task of the second coalition government. These are what we are determined to do.

[Unidentified moderator] The next speaker is DSP Chairman Ouchi.

[Ouchi] I am Keigo Ouchi of the Democratic Socialist Party of Japan. Our party has asserted not only that a new leader to succeed Prime Minister Morihiro Hosokawa should be decided within the framework of the current coalition government, but also that it should be clarified to the people what the new administration intends to do. As a result of many hours of policy discussion, coalition representatives have pulled their hearts together to successfully work out an agreement, even though it was a formidable task. This is a historical achievement in the history of Japanese politics as regards coalition governments. Clarifying policies and forming a new cabinet are important responsibilities of the coalition government which must be fulfilled for the sake of the people. Since I felt this has been achieved, I gave it my appraisal. After carefully considering in our own way who should be chosen leader from among the coalition alliance, we judged that Tsutomu Hata, who is deputy prime minister and concurrently foreign minister, was the most appropriate candidate based on his character, knowledge, and ability. I made a statement to that effect at the meeting of coalition party leaders, explaining that our party fully endorsed Hata. Should a new coalition government under Hata be formed, its major responsibility would be to first have Diet deliberations carried on as smoothly as possible regarding the draft budget bill, which is what the people want right now, and have it enacted as soon as possible. I also feel this would tentatively be the most important key to help bring about economic recovery. There are still problems

which need to be solved before political reform can be completely carried out. While continuing to work toward this end, it will be necessary as soon as possible to settle those issues which will be particularly important from now on, particular among them relations with the United States, especially regarding economic ties which continue to be entangled. In view of the upcoming Naples summit, I also feel improving Japanese-U.S. relations is an impending issue. Many other problems have accumulated. The fact that coalition representatives have conducted heated debates on such issues as tax system reform and the DPRK's suspected nuclear arms development is extremely significant. The new administration must carry out its policies by building a foundation on the results of such debates. This is a great task that will be imposed on the new administration. We plan to give our full support so the new administration can carry out this task. That is all.

Question, Answer Session Held

OW2204123894 Tokyo NHK General Television Network in Japanese 0624 GMT 22 Apr 94

[Question-and-answer session of the joint news conference by coalition leaders Shinseito head Tsutomu Hata, SDPJ Chairman Tomiichi Murayama, Komeito Chairman Koshiro Ishida, DSP chairman Keigo Ouchi, Kaikaku-no-Kai's Takeo Nishioka, the Democratic Reform Party's Eiichi Nakamura; live; session begins following Hata's statement on his candidacy for premiership, and is moderated by JNP Secretary General Masuo Matsuoka]

[Text] [Matsuoka] Thank you Mr. Hata for showing us your resolve. We still have time until 1540 [0640 GMT], and we would like to receive some questions. Thank you in advance for your cooperation. Please go ahead.

[Reporter Kure] I am Kure from Nihon TV. In the last two weeks since Prime Minister Hosokawa's resignation announcement, the coalition parties' opinions were at first split over whether the next prime minister should be elected by coalition party leaders or party secretaries general, and interparty disputes continued until the very last stage of working out new policy accords. It seemed to us that these disputes left serious cracks in the coalition. However, the coalition reached an accord early this morning to start again under the leadership of Mr. Hata.

Mr. Hata, could you give us your comments on the two-week dispute?

[Hata] In fact, a two-week period is not a very short time to me. I think it took so long because the parties discussed various issues frankly. While you said cracks may remain in the coalition, we are allies who have been working together under the premiership of Mr. Hosokawa. It is true that the coalition often faced difficulties in such subjects as the Uruguay Round and electoral reform; however, we somehow overcame all of these problems. Recalling the last eight months, I do not think any serious discord remains among us.

With respect to the pending issue of tax reform, we have an international pledge to settle the issue before the end of June. Taking this opportunity of forming a new administration, we tried to narrow disparity in the parties' stances on such issues as much as possible, and this was why it took so long to work out an accord among the parties. In this sense, I think the prolonged debates were quite meaningful. The coalition parties have been working together over the last eight months, but each of them has its unique standpoint and history. Throughout the two-week debates, I have become confident of a point that the coalition parties are always able to overcome their positions when they exhaustively discuss the nation's present circumstances. So, I have to say I do not see any cracks in the coalition.

I met a foreign official earlier today. When I asked him if the international community is worrying much about the prolonged political confusion in Japan, he replied that, if the new prime minister is nominated today, that would be regarded as a relatively smooth election process as a nation ruled by a multiparty government. He said one nation has a rule to set a three-week period to form a new administration, and, when the period runs out, spends another three-week period to continue discussions. He said yet another nation conducted a national election a long time ago, but anything but parliament membership has been determined up until now. I thought that was a funny way to cheer me up.

All party leaders gathered today know the fiscal 1994 budget must be compiled as soon as possible, and political confusion should not worsen the economy. Also, we have to work on the 1995 budget following the compilation of the 1994 budget. Under such circumstances, we tried hard to reach an early accord, and, as you all know, yesterday's discussions continued even after midnight. My understanding is that mutual confidence and the sense of unity are strengthened through the debates.

[Matsuoka] Next question, please.

[Unidentified reporter] In the beginning of the interparty debates on the new administration, the coalition's decision-making mechanism, or the conference of party secretaries general, evoked so much controversy. The coalition agreed to review the position of the secretaries general's conference. How do you do that hereafter?

[Hata] I am not aware of such an agreement. As you all know, party secretaries general played key roles in the inauguration of the coalition government led by Mr. Hosokawa. In the Hosokawa administration, we are all serving as cabinet ministers, and we have to spend almost all day working on administrative duties. As Mr. Nakamura noted earlier, party secretaries general met 27 times in the two-week period. While I do not know the total length of the meetings, it must have been impossible for party heads to spend the time on political debate. Since we are in the cabinet, secretaries general are actually taking charge of all political affairs such as Diet administration. in this sense, I think the conference

is an important mechanism for the coalition government. I do not think some people are intentionally disparaging the mechanism, and I think it is necessary to smooth out interparty talks. However, I believe the interparty accord could not be reached without the secretaries general's conference. So, my opinion is that we have to set much value on the mechanism.

Any more questions?

[Unidentified reporter] Since the new policy agreement was reached, the issue of forming a united lower house group will be a new political task. Can I ask each party leader to briefly comment on this?

[Hata] Chairman Murayama told me to go ahead first. We have been discussing political reform since we were in the LDP. Now, Japan plays a very important role in international society. We have to daringly promote major reform at home too. Under such circumstances, some people thought it was not a good idea to have many political parties. I have been saying that the dynamism of Japanese politics will be created if two major parties debate and compete with each other.

However, we have formed the coalition. To tell you the truth, I think it would be better if the coalition parties could debate together on what party representatives or party leaders discussed at party representatives' meetings rather than having separate discussions. For example, we can have true cooperation in elections if we all belong to the same party or the same group. This is an issue over which we will have heated debate again in the future. However, we all agree that we have to promote reform. On the basis of this common viewpoint, I wish we could form one main group or a concentric circle. If we can do that, then we will be able to exert greater power.

[Murayama] On the basis of what we have gone through, the second coalition government is about to start. As you know, we are confronted with important international and domestic tasks. We talked about what this administration has to do to respond to the people's expectations. I am sure that all parties which support the coalition administration are trying to find ways to deal with these tasks. Therefore, I think it is possible that some of them may try to merge into one group. This is something each party or each group has to think about.

However, as I said earlier, the SDPJ will deal with the reality to enable the Hata coalition administration to smoothly respond to the people's expectations.

[Ishida] We confirmed in the policy agreement that the next general election will be held under the new administration. In this sense, we can say that the new system will determine which party or parties will take power. Needless to say, I cannot tell you when the general election will be held. However, it is extremely important for Komeito to continue to exert efforts and to seek formation of a united group because the new election system will determine the governing party.

[Ouchi] Since it is the beginning of a new administration, I plan to give this issue some serious thought.

[Nishioka] Regarding policy decisionmaking and other procedures under the Hosokawa administration, for its part the Kaikaku no Kai has fully witnessed the hardships encountered by those who have participated in the process. I feel that maybe it is necessary to adopt new ideas based on the experiences of these people. In addition, as mentioned earlier by Chairman Ishida, it has been decided that elections will be held under a new electoral system. Therefore, I feel it is proper for the coalition to move in this direction as a single unit, and we of the Kaikaku no Kai are in the process of discussing the issue with this thought in mind.

[Nakamura] Minshu Kaikaku Rengo has already formed an upper house floor group called Shin Ryokufukai. This group is comprised of Minshu Kaikaku Rengo, Shinseito, JNP, and DSP. We are now in the process of asking upper house members from the SDPJ and Komeito to join us in Shin Ryokufukai. Therefore, particularly in the upper house, it is clearly evident that in order to enact the long-awaited policy agreement and prepare for next year's election, the coalition parties now want to move toward forming a unified group. With this in mind, we are actually in the process of moving in this direction.

[Matsuoka] We do not have much time left. Let us have one more question. A while ago... please go ahead.

[Unidentified correspondent] This is for confirmation. As the new coalition government is being formed, when we look at the stage there is one member missing who was present when the first coalition government was formed. Takemura from Sakigake is not here. While Sakigake withdrew from the coalition amidst the recent turmoil, there have been some LDP defectors, and many small groups have been formed. This has been referred to as Act II of the political realignment. Under such circumstances, in what specific ways does the coalition plan to deal with these groups, as well as Sakigake, in regard to working out cooperative relations with them?

[Hata] I cannot talk about specific ways since I have not spoken to any of these people yet. However, the representatives of these groups have asked me to meet them immediately after this news conference. I plan to hold frank discussions with them.

[Matsuoka] Thank you very much for your cooperation. We would like to conclude the joint news conference at this time. However, to round things off, we would like all the party leaders to shake hands together on the stage.

Hata Gives Statement on Candidacy

OW2204103594 Tokyo NHK General Television Network in Japanese 0622 GMT 22 Apr 94

[Statement by Shinseito leader Tsutomu Hata at a joint news conference with unidentified correspondents at the Diet building in Tokyo—live]

[Text] [Hata] This is Tsutomu Hata. As has just been announced by the coalition leaders, I have been selected from among the coalition party leaders, including Social Democratic Party of Japan [SDPJ] Chairman Tomiichi Murayama, as a candidate to be the new prime minister of the coalition's second administration.

Frankly speaking, I do not think I am a capable man, and cannot help feeling some hesitation in accepting the serious responsibilities over state affairs. However, since the coalition leaders have been trying so hard to reach a conclusion, I have to take upon myself the hair-raising responsibilities as top leader of the nation. Thus, I have decided to accept the candidacy.

As Murayama just noted, the coalition has worked out a multiparty memorandum on a policy accord for forming a new coalition government. When I am approved as the new prime minister through Diet elections, I will try my best, in line with the policy accord, to make Japan a sound nation where everybody can live in comfort. Also, I will seek the high-quality nation advocated by Hosokawa.

Another point is that, as other coalition leaders have stated, Japan must become a trustworthy, understandable, and beloved nation in the international community. I would like to try my best to achieve these objectives.

I sincerely seek the understanding of the public. Thank you very much.

Hata Interview on Coalition, Economy

OW2204142894 Tokyo NHK General Television Network in Japanese 1039 GMT 22 Apr 94

["Exclusive" interview with Foreign Minister and Deputy Prime Minister Tsutomu Hata by NHK Political News Department correspondent Sobata on 22 April; place not given; from the "News 7" program—recorded]

[Text] [Sobata] Hata, you have been officially nominated as the coalition's candidate for prime minister. In the two weeks since Prime Minister Hosokawa's resignation announcement, consultations among the coalition parties were tough. What are your comments on the confusion during that period?

[Hata] In view of the reasons for Hosokawa's resignation, members of my party have been discussing the need for a stable administration. Since we once tried to invite a new group to the coalition government with the approval of other parties, I was personally surprised at the latest decision by the coalition.

[Sobata] The new administration is supposed to work on a delayed compilation of the fiscal 1994 budget. Do you think the lineup of the Hosokawa administration should be drastically reshuffled?

[Hata] I am undetermined on that issue, but I personally think cabinet ministers who provided the budget plan should take the responsibility to pass the budget bill. Even if new cabinet ministers are assigned, they would have no time to review and analyze the budget bill. So, generally speaking, I personally think the enactment of the budget bill had better be done by the ministers currently in charge.

[Sobata] However, some members of Shinseito [Japan Renewal Party] are calling for a full-scale cabinet reshuffle. What is your comment?

[Hata] I want to spend more time before finalizing my stance toward the issue.

[Sobata] It is often said the coalition government has been led by the so-called Ichi-Ichi line of Shinseito's Ichiro Ozawa and Komeito's Yuichi Ichikawa, and this is the major cause of friction among the coalition parties. Some members of the Social Democratic Party of Japan [SDPJ] are saying that such a tendency may be intensified under the premiership of the Shinseito leader. What is your opinion?

[Hata] Many people criticize the Ichi-Ichi line. Recalling the last eight months, it was one of the most difficult periods in the history of Japanese politics. To manage the difficulties with the multiparty government, somebody had to take the leadership, otherwise the coalition government could not do anything. While their roles were highlighted too much, I think somebody had to do that. Ozawa has long been in the center of the nation's politics, and he knows the heavy responsibilities of political leaders. He had to take strong attitudes to set the political trends straight. I felt sorry about that because he is playing a thankless role for us.

[Sobata] I would like to ask you about policy issues. Throughout the policy debates among the coalition parties, it was difficult to obtain SDPJ approval to increase the consumption tax. Under such circumstances, do you really think you can carry out tax reform before the end of June?

[Hata] Instead of discussing whether or not we can do it, we should think about what the revenue resources for income tax reductions should be. We have to ask the public if the income tax cut should be discontinued next year. The tax cut should be continued, but Japan will soon become an aged society. To manage future problems, can we keep depending on the income tax imposed on young workers? This is the fundamental question. The government relies on direct taxes from individuals by 70 percent, and indirect taxes are only 30 percent of the revenue. I think most people agree that this imbalance should be redressed somehow; even those coalition members who opposed the tax reform plan think some sort of reform is needed. Anyway, we have to determine through much discussion the direction of the tax reform before the end of June and enact legislation this year. This is an agreement of the coalition government, and I think we can certainly reach an accord.

Hosokawa: Hata To Carry Out Reforms

OW2204091494 Tokyo KYODO in English 0859 GMT 22 Apr 94

[Text] Tokyo, April 22 KYODO—Foreign Minister Tsutomu Hata will have to carry out political, tax and economic reforms if he becomes the new premier, departing Prime Minister Morihiro Hosokawa said Friday [22 April].

"I think political reform has not been completed and there also are tax and economic reforms" to be accomplished, Hosokawa told reporters. "We have many problems... but all of us decided to support him (Hata) and to hold out," he said.

Two weeks after Hosokawa abruptly announced his resignation over his allegedly shady financial deals, the ruling coalition officially chose Hata on Friday as its candidate for the premiership election in the Diet on Monday.

Hosokawa had been under fire over allegations he had raised funds in dubious ways via a 100 million yen loan from scandal-tainted Sagawa Kyubin trucking business group and purchase of shares of telecommunications giant Nippon Telegraph and Telephone Corp.

Sadatoshi Ozato, Diet Affairs Committee chairman of the opposition Liberal Democratic Party (LDP), said the LDP will continue grilling Hosokawa about his financial deals after he quits.

The LDP is considering demanding that the Diet summon Hosokawa after his resignation to testify on his transactions, Ozato said.

Ozato said suspicions about Hosokawa's finances deepened when the premier's aide said Friday that Hosokawa had failed to report to tax authorities his personal income of 29 million yen from stock and bond investments during a 10-year period from 1981.

Hosokawa told reporters he had no intention of evading taxes and simply failed to report the income. He reiterated he will not resign as a House of Representatives legislator or head of Japan New Party, saying he is stepping down as premier to take responsibility for his personal finances.

Hata on Submitting New Tax Bill

OW2204125594 Tokyo KYODO in English 1244 GMT 22 Apr 94

[Text] Tokyo, April 22 KYODO—Japan's most probable next prime minister, Tsutomu Hata, on Friday [22 April] pledged his coalition government will overcome one of its major internal policy differences to introduce by June a bill reforming the nation's taxation system.

In an interview on the National Television Network Japan Broadcasting Corp. (NHK) news program, Hata said the current tax system is "totally out of balance" with 70 percent of revenue coming from direct taxes and the remaining 30 percent coming from indirect ones.

"This is a ratio that must be corrected," Hata said. "We have to have measures to meet the aging society. How are we going to get the necessary funds? Are we going to be relying on the younger workers to support the aged people in the society?

"This is a basic contradiction in the society. This will be the core of the debate.

"The tax system is totally out of balance and we will decide on a direction by June of this year. We will try to achieve a consensus and we will try to pass this bill by the end of the year. We have reached a certain level of agreement and I am sure that this will be realized," he said.

The Social Democratic Party (SDP) [of Japan—SDPJ], the coalition's largest party, had insisted during debate over a new coalition policy platform, that any attempt to implement an indirect tax increase should be done after "gaining a national consensus." But in further negotiations, the coalition members later agreed to a proposal that an indirect tax increase be implemented "while trying to gain public support."

SDP intransigence over the indirect tax issue was one of the main reasons for the delay in final agreement among the parties over their platform.

On Friday, the coalition formally chose Hata as its candidate for prime minister. The Diet will elect Hata as Japan's 51st prime minister Monday afternoon, with the coalition parties occupying a majority of seats in both chambers of the legislature.

In the interview, Hata downplayed the central role in the coalition of two key strategists, Shinseito [Japan Renewal Party] Secretary General Ichiro Ozawa and Komeito [Clean Government Party] Secretary General Yuichi Ichikawa.

"People talk about control by these two people, but if we look back over the past eight months of the coalition government and take a historical perspective I do not think you can say it has been controlled by these two people," said Hata, who is head of Shinseito.

"When you have a coalition like that you really need someone like that who can pull the parties together, somebody has to take the lead.

"Mr. Ozawa has been at the core of politics and he knows more about politics than anybody else. "He has always been in situations of power and of course it was natural for him to assume a powerful position.

"And I feel sorry for him because he has always been in a position of being the person everybody loves to hate."

Hata refused to divulge his thoughts on the makeup of the new cabinet. "We really have to give this a little more thought," he said.

Takemura on Hata Cooperation Request

OW2204134894 Tokyo NHK General Television Network in Japanese 1006 GMT 22 Apr 94

[Announcer-read report over video; from "NHK News 7" program]

[Text] Foreign Minister Tsutomu Hata held meetings with Masayoshi Takemura, chairman of Sakigake [Harbinger], and leaders of New Party Mirai [Future] and Jiyuto [Liberal Party] to ask for their cooperation with the new administration. Sakigake plans to support the government from outside the cabinet. New Party Mirai and Jiyuto have recently been formed by defectors from the Liberal Democratic Party [LDP].

Takemura offered the following comments:

[Begin recording] These matters are confirmed. I agree with the new administration's intention to continue with and further the reform efforts undertaken by the Hosokawa administration. As to particulars about policies, I have my own views regarding the finer details, but I told Hata I agree in general with the policies worked out among the coalition parties. [end recording]

The leaders of New Party Mirai and Jiyuto made the following comments:

[Begin recording] [Michihiko Kano, head of New Party Mirai; identified by caption] Since we appraise Foreign Minister Hata for such matters as his basic political stance, I told him we would give our cooperation.

[Koji Kakizawa, head of Jiyuto; identified by caption] Since Hata asked for our cooperation, I told him I look forward to giving him a definite answer after discussing the matter with lower house members who are my Jiyuto comrades. [end recording]

Coalition Party Officials Reach Policy Accord

OW2104181594 Tokyo KYODO in English 1753 GMT 21 Apr 94

[Text] Tokyo, April 22 KYODO—Senior officials of coalition parties finally struck a deal on a draft policy platform for a new government early Friday [22 April], setting the stage for Foreign Minister Tsutomu Hata's assumption of power, coalition officials said.

"We have just agreed on a policy platform after having continued eleventh-hour negotiations since yesterday," said Social Democratic Party (SDP) Secretary General Wataru Kubo, who chaired the coalition forum on policy talks.

Kubo, the No. 2 man in the largest party in the governing coalition, said that at an early Friday meeting of the secretaries general-level coalition representatives, the ruling parties reconciled their positions on two key policies—Japan's response to North Korea's nuclear arms program and tax system reform.

The accord followed another agreement reached Wednesday on a separate major element of policy—national security.

The coalition executives also decided to ask all coalition chiefs to convene a meeting around 2 P.M. on Friday to endorse the draft policy platform and name a candidate to succeed departing Prime Minister Morihiro Hosokawa, Kubo said.

Coalition officials said heads and secretaries general of coalition parties will hold a meeting after 2 P.M. Friday to confirm the policy platform for a new government and also pick Hata, leader of the coalition's core party Shinseito [Japan Renewal Party], as its candidate for prime minister.

But the House of Representatives Steering Committee agreed Thursday evening not to convene a plenary session on Friday to pick a successor to Hosokawa, who suddenly announced on April 8 his intention to resign.

The prime ministerial election in both houses of the Diet may be carried over to next week because of the delay in agreement among the coalition parties over policies for a new government, the officials said.

The main opposition party, the Liberal Democratic Party (LDP), has refused to attend vote-taking plenary sessions at the weekend, the officials said.

A senior LDP official told reporters that the Diet has so far failed to hold the prime ministerial election only because of the ruling coalition's indecisiveness. "We won't agree to a weekend plenary session," he said.

The SDP's Murayama told an early Friday press conference that Hata is the best candidate from the viewpoint of common sense. He denied speculation that he will become deputy prime minister.

The officials agreed on a phrase requiring the government to seek cooperation with Asian nations concerned, in addition to the United States and South Korea, in the event of an emergency with North Korea's alleged nuclear program.

The SDP, the largest contingent in the ruling alliance, had insisted on the inclusion in the coalition's policy paper of a phrase obligating the government to consult with China, as well as the U.S. and South Korea, if the United Nations decides to slap economic sanctions on North Korea.

On tax system reform, the coalition parties agreed on a plan to revamp the current tax system with a phrase seeking reform based on public understanding through possible revision or elimination of the existing consumption tax but focusing attention on raising indirect taxes.

The SDP had demanded the abolition of the 1989 consumption tax, a value-added tax, in exchange for a compromise that calls for a creation of a new indirect levy with a public consensus.

The coalition parties have been under pressure to forge an agreement on a policy platform for a new government since Hosokawa's resignation announcement.

Hosokawa will remain on board until his successor is selected.

Talks among the coalition partners had remained at an impasse over how to find common ground to document policies in two key areas—tax reform and the North Korean nuclear issue.

Earlier on Thursday, all the coalition parties other than the SDP spurned its demands to play down the wording on tax reform and the North Korean nuclear issue in a policy document for a new cabinet, officials said.

At a meeting of secretaries general-level representatives of coalition partners Thursday, the majority of parties led by the coalition's core party Shinseito told the SDP that they will not accept its demands.

The SDP demanded that the term "national consensus" be inserted into the policy document as a prerequisite for a hike in indirect taxes, while other parties call for inserting an indication of their readiness to hike the consumption tax from the current 3 percent.

Hata, who is widely expected to be picked as a successor to Hosokawa, told reporters that the SDP should make a decision in order to maintain the coalition government.

At a news briefing following the afternoon bargaining session, Democratic Socialist Party (DSP) Secretary General Takashi Yonezawa said the non-SDP parties "will have to accept the possible withdrawal of the SDP from our coalition."

Komeito [Clean Government Party] Secretary General Yuichi Ichikawa also ruled out a compromise with the SDP, but hinted at efforts to bring together all forces ready to endorse the coalition's proposed policy document.

Shinseito Secretary General Ichiro Ozawa, the main coalition strategist, told Shinseito executives, "If we play our ace (Hata) while leaving our policies ambiguous, we will definitely fall into confusion in two to three months."

"We are now at a turning point where we have to decide whether to put up the hardest fight now or at that time," Ozawa said.

'Main Points' of Policy Accord

OW2104175994 Tokyo KYODO in English 1736 GMT 21 Apr 94

[Text] Tokyo, April 22 KYODO—The following are the main points of policy accord reached by the coalition parties early Friday [22 April].

I. Political Reform

The government, respecting the report of the committee drawing up electoral districts for the House of Representatives elections, shall introduce a bill to the Diet and if possible have it passed by the end of the current Diet session. The next election should be conducted under the new electoral system.

The government will also deal with the reform of the House of Councillors and the Diet.

II. Japan-U.S. Relations and International Cooperation

Japan will maintain the Japan-U.S. Security Treaty based on recognition that the treaty is the foundation of friendly relations between Japan and the United States, and vital to the peace and security of the Asia-Pacific region.

To resolve economic friction and to strengthen Japan-U.S. relations, Japan will endeavor to boost its domestic consumption. Japan will take gradual steps to reduce its trade surplus.

In support of the free trade system, the government will submit to the Diet during this year treaties and bills related to agreements reached during the Uruguay Round of trade negotiations, and will aim to immediately enact them.

III. Security

The government recognizes that the idea of the Constitution is universal security led by the United Nations and will actively take part in U.N. peacekeeping activities, maintaining the Japan-U.S. Security Treaty.

IV. Problems on the Korean Peninsula

The situation on the Korean peninsula, including North Korea's nuclear development project, is extremely serious for the security of Asia and Japan. (Japan) will place emphasis on resolving (the issue) through persistent negotiations in cooperation with the United States and South Korea in order not to isolate North Korea.

If the United Nations decides its policy (on the issue), (Japan) will observe it.

The government will prepare for an emergency under the Constitution and will closely cooperate with the U.S. and South Korea. The government will cooperate with Asian countries concerned according to necessity.

V. Measures To Cope With an Aging Society and Tax Reform

Japan will boost its welfare system in the areas of employment, pensions, medical treatment and health support, in order to better cope with the aging of Japanese society, and will also encourage the promotion of housing, transport and sewerage for a better environment in which to live.

In addition to the government actively carrying out administrative reforms and revision of inequalities in the tax system, it will encourage a welfare system to cope with the aging of the nation and introduce measures for the easing of direct taxation.

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will make every effort to achieve
ic recovery.

orm, the government will plan for a
in the economy through the encour-
owth of new industries in sectors such
s and information, and the promotion
ium-size enterprises.

will encourage international coopera-
activity, the stimulation and transpar-
et, and the reduction of differences
and overseas prices through the easing
ations.

e Reform and Regional Autonomy

for the simplification of administra-
fficiency, the government will actively
onomy to make regional communities
promote sound, democratic govern-
cal governance.

f Agricultural, Mountain and Fishing
cultural Reform

will place priority on self-sufficiency in
foods and strive for balanced national
t. It will plan for the promotion of
tural and fishing communities.

narket principles in production, distri-
and will support reform in agricultural
le maintaining safety and the environ-

will strive for the building of a society
en and women can share in leading
h education as the basis of the building

ccord To 'Spur' Tax Debate

Tokyo KYODO in English 0928 GMT

il 22 KYODO—A policy accord newly
ling coalition parties will spur discus-
hensive tax reform to include income
umption and other indirect tax hikes,
vernment tax panel said Friday [22

in the same direction with the panel's
confirmed that the tax reform will be decided in June and enacted at the Diet by the end of the year," Kan Kato, chairman of the Tax Commission, told reporters after a panel meeting.

The coalition reached the accord earlier in the day as a basis for forming a new cabinet, with Foreign Minister and Deputy Prime Minister Tsutomu Hata selected as the coalition's candidate to succeed Prime Minister Morihiro Hosokawa.

Under the accord, the coalition parties agreed on a plan to revamp the tax system while seeking "public understanding." The plan calls for revision or elimination of the 3 percent consumption tax while raising indirect taxes.

The chairman of the advisory panel to the prime minister interpreted the accord as calling for cutting direct taxes and raising indirect taxes.

Hosokawa asked the panel when it began its discussions earlier this month for income tax cuts and net tax increases to realize a balanced tax system for income, assets and consumption to cope with the coming aged society in the 21st century.

Panel members did not bring up the coalition accord at Friday's meeting, Kato said.

The panel will speed up its discussions by holding meetings on Tuesdays and Fridays from next week to compile a report with various options for the parties to decide in June, Kato said.

The meeting centered on administrative reform, with many panelists calling for further slimming of the government and its affiliated companies and institutions to win public support for net tax increases, he said.

Kono on 'Double Power Structure'

OW2204131094 Tokyo NHK General Television Network in Japanese 1008 GMT 22 Apr 94

[Announcer-read report over video: from "NHK News 7" program]

[Text] Liberal Democratic Party President Yohei Kono stresses his determination to have a showdown with the new administration.

[Begin recording] I feel this is a Shinseito [Japan Renewal Party] administration. If we asked Hata what he thinks of being a candidate for the premiership, he would answer that he is a player while another person writes the scenarios. Well, I cannot help saying that the coalition still has a double power structure. [end recording]

Coalition Accord Said 'Patchwork'

OW2204131794 Tokyo KYODO in English 1301 GMT 22 Apr 94

[Text] Tokyo, April 22 KYODO—The primary opposition Liberal Democratic Party (LDP) criticized Friday [22 April] policy accords by the ruling coalition parties

as a "patchwork" of different ideas, and declared the LDP and coalition will face off in the Diet.

LDP President Yohei Kono said the coalition parties "cobbled up agreements, putting aside policy differences. (The LDP) can become an offensive... it is important for the party to streamline its array and press hard on the process of the policy accords."

Kono also blasted Friday's nomination of Foreign Minister Tsutomu Hata, head of the coalition's mainstream party Shinseito (Japan Renewal Party), as its candidate to succeed departing Prime Minister Morihiro Hosokawa, who announced his resignation on April 8. The Diet's prime ministerial elections are scheduled for Monday.

Kono said if Hata is elected prime minister, his administration will be "a Shinseito administration rather than a coalition administration.... There still exists a dual power structure."

The comment is an apparent criticism of key coalition strategist Ichiro Ozawa, Shinseito secretary general, who led the grouping into selecting Hata as Hosokawa's successor.

The LDP president also predicted the coalition will founder over policy discords sooner or later, saying, "it will be clearer whether the policy accords are essential."

LDP Party Secretary General Yoshiro Mori echoed Kono, saying, "the coalition patched up a framework for the present but the process and contents are complicated. (The LDP) will clarify differences and inconsistencies of their policies in plenary and Budget Committee sessions in the Diet."

Masayoshi Takemura, who heads the coalition's small bloc, new party Sakigake (Harbinger), had mixed reactions to the accords.

Although praising the policy framework as a whole, Takemura, who is also chief cabinet secretary, noted ambiguities concerning issues of national security and the Korean peninsula.

Regarding wording that Japan will actively join U.N. peace activities, Takemura said, "It can be widely construed as making it possible for Japan to participate in (combat) activities for peace because the wording has not spelled out peacekeeping activities." He also said all 15 Sakigake members will vote for Hata in the prime ministerial election in the House of Representatives.

Sakigake, which will reject posts in a new coalition cabinet, has pledged to support the new government from outside the alliance.

The Japanese Communist Party (JCP) harshly criticized the policy ties. Kazuo Shii, chief of the JCP secretariat, told reporters the coalition's declaration on an indirect tax hike is "extremely serious."

"It is irrational to push ahead without seeking the judgment of voters in election," he said.

On North Korea's alleged nuclear development program, Shii said, "there is no reason in punishing North Korea while allowing the United Stated to have nuclear weapons."

In a predawn Friday meeting, seven coalition partners reached agreement on major policies after wading through gaps on the two key issues—tax system reform and Japan's stance on North Korea's suspected nuclear development program. The agreement was a precondition to the nomination Friday afternoon of Hata as the coalition's official candidate for the premiership.

The eight-month-old coalition government of Hosokawa will resign en masse Monday morning before the House of Representatives and the House of Councillors convene vote-taking plenary sessions.

The seven coalition blocs are the Social Democratic Party (SDP) [of Japan—SDPJ], Shinseito, Komeito, the Japan New Party, the Democratic Socialist Party (DSP), the Democratic Reform Party, and Kaikaku no Kai, a parliamentary group of LDP defectors in the lower house.

Hosokawa is resigning to take responsibility for his alleged involvement in financial scandals that stalled Diet business for the past two weeks.

Watanabe: No General Election Before Fall '95

OW2204102594 Tokyo KYODO in English 1003 GMT 22 Apr 94

[Text] Tokyo, April 22 KYODO—Former Foreign Minister Michio Watanabe of the Liberal Democratic Party (LDP) said Friday [22 April] that there will be no general election for the House of Representatives before the fall of 1995. Watanabe was speaking about the possible timing of a dissolution of the House of Representatives and subsequent election at a general meeting of Diet members belonging to his faction, the third largest within the main opposition party.

The election "will not be called for a certain period," the former deputy premier said, adding that "moves toward the general balloting will surface after the fall of next year."

The veteran conservative politician was apparently referring to the likelihood that a new government under Tsutomu Hata would press ahead with Hata's proposal to contest the next general vote under a new election system that combines single-seat constituencies and proportional representation.

Heads of coalition parties on Friday picked Foreign Minister Hata, who is head of the coalition's core party Shinseito [Japan Renewal Party], as its candidate for the premiership. Hata, 58, is almost certain to win the two elections to be held Monday in plenary sessions of the House of Representatives and the House of Councillors due to the coalition's majority.

Speculation on New Cabinet Replacements Reported

OW2204134294 Tokyo KYODO in English 1334 GMT 22 Apr 94

[Text] Tokyo, April 22 KYODO—Replacements for the posts of foreign minister and chief cabinet secretary, to be vacated by Tsutomu Hata and Masayoshi Takemura, will be the focal point of the new cabinet which will emerge after Hata is formally elected prime minister on Monday [25 April], coalition sources said Friday.

The coalition parties began negotiations over formation of a new cabinet Friday after the seven coalition blocs endorsed Hata, head of the alliance's core party Shinseito (Japan Renewal Party), as their joint candidate for the upcoming Diet election to select a successor to outgoing Prime Minister Morihiro Hosokawa, who declared his resignation on April 8.

Hata is expected to be elected prime minister with the coalition majority's backing in vote-taking plenary sessions of the House of Representatives and the House of Councillors.

Only minor changes, however, will be made in the 20-portfolio lineup, chiefly focusing on the posts of foreign minister and chief cabinet secretary, because of the need to move on the overdue fiscal 1994 state budget drawn up by the present government which is still pending enactment in the Diet, the sources said.

Hajime Funada, a Shinseito executive and lower house lawmaker, has emerged as a likely choice to succeed Takemura, along with Kozo Watanabe, Shinseito's deputy secretary general, the sources said.

Hata hopes to pick the cabinet secretary, who serves as his chief spokesman and chief of staff, from among his own party members who know him well, they said.

As for the foreign ministerial post, Michihiko Kano, a lower house legislator who recently defected from the primary opposition Liberal Democratic Party (LDP) to form a new party called New Party Mirai (Future), and Motoo Shiina, an independent international-minded House of Councillors member, are being considered as possible replacements to Hata, the sources said.

There are some within the coalition that expect Tomiichi Murayama, chairman of the Social Democratic Party (SDP) [of Japan—SDPJ], the largest group in the coalition, to assume the post of deputy premier currently held by Hata.

Murayama, however, is reacting with reluctance toward the idea, while placing the priority on party business, the sources said.

The SDP is the only coalition party whose chief does not hold a ministerial post in the present seven-party coalition.

Hosokawa Denies Role in Income Report Failure

OW2204125194 Tokyo KYODO in English 1226 GMT 22 Apr 94

[Excerpt] Tokyo, April 22 KYODO—Prime Minister Morihiro Hosokawa said Friday [22 April] he did not personally have a hand in a failure to report some 29 million yen of his personal income to tax authorities. "It is common for legislators to have their offices handle accounting and raising of funds, including their personal funds," Hosokawa said.

Hosokawa's chief political secretary, Namio Yatsuka, told a news conference earlier in the day that the prime minister did not disclose the 29 million yen income from stock and bond investment during a 10-year period from 1981. [passage omitted]

Toyota, Nissan on 'Dismal' Domestic Results

OW2004054394 Tokyo KYODO in English 0502 GMT 20 Apr 94

[Text] Tokyo, April 20 KYODO—Domestic vehicle production and sales of Japan's "Big Two" automakers—Toyota Motor Corp. and Nissan Motor Co.—for fiscal 1993 were down from the year before, the two automakers announced Wednesday [20 April]. The dismal showing for production and sales of cars, buses and trucks in the year ended March 31 stems from slack consumer spending due to the national economic downturn, industry analysts said.

Toyota said its domestic motor vehicle output for fiscal 1993 totaled 3,459,840 units, 11.4 percent lower than the year before. Output of cars fell 11.4 percent to 2,795,055 and that of trucks and buses together declined 11.2 percent to 664,785, it said.

By contrast, Toyota's overseas vehicle output surged 14.3 percent to 908,199.

The auto giant's domestic vehicle sales sagged 8.1 percent to 2,024,329 in terms of registrations, with car sales falling 7.3 percent to 1,439,790, and those of trucks and buses slumping 10.1 percent to 584,539.

Toyota's exports of cars for the year under review came to 1,072,227, down 15.5 percent, and those of trucks and buses totaled 399,440, a 7.7 percent drop.

Meanwhile, Nissan said its overall domestic output of cars, trucks and buses for fiscal 1993 fell 14.1 percent to 1,749,814. Production of cars were down 11.8 percent to 1,484,303 and that of commercial vehicles fell 24.9 percent to 265,511.

The company's overseas production, however, gained 7.2 percent to 993,503.

Nissan's overall domestic vehicle sales were down 9.6 percent to 1,067,130, with sales of cars slumping 9.9 percent to 793,455 and those of commercial vehicles falling 8.8 percent to 273,675, the company said.

The company's vehicle exports plunged 30.0 percent to 629,990, with exports of cars falling 29.8 percent to 513,997 and shipments of commercial vehicles plunging 30.9 percent to 115,993.

Ship Export Reportedly Increases in FY 1993

OW2004124294 Tokyo KYODO in English 1136 GMT 20 Apr 94

[Text] Tokyo, April 20 KYODO—Japan's ship export contracts in fiscal 1993 totaled 197 vessels of 7,471,018 gross tons, the second highest in 10 years and 2.8 times more than the previous year, the Japan Ship Exporters Association said Wednesday [20 April]. The association said the highest figure in the 10-year period was 8.04 million tons in fiscal 1989.

The increase for fiscal 1993, which ended March 31, 1994, was chiefly due to more orders for bulk ships, which recovered to a 3.3 percent growth from fiscal 1991 levels after a sharp drop in orders in fiscal 1992 because of the world recession, an association official said.

The contracts included 125 bulk ships of 3.75 million tons and 21 tankers of 2.11 million tons, it said.

Food Imports Rise to Record High in 1993

OW2004105994 Tokyo KYODO in English 1040 GMT 20 Apr 94

[Text] Tokyo, April 20 KYODO—Japan's food imports expanded 5.5 percent in 1993 to a record high 40,158.40 million dollars, going above the 40 billion dollar level for the first time, a governmental trade body said Wednesday [20 April]. The Japan External Trade Organization (Jetro) said the record high imports stemmed mainly from increases in fresh vegetables, beef, fish and rice.

Imports of fresh vegetables, which suffered a poor crop as a result of a cool and rainy summer last year, posted a 15.4 percent climb, and those of beef rose 18.2 percent, supported by a reduction in custom duties and the yen's sharp rise, Jetro said.

An 11.1 percent increase in fish, which has the largest share of total imports, also contributed much to the record high, it said.

Imports of rice, which began as an emergency measure following a shortage of domestic rice in the wake of last year's unseasonable summer, totaled 107,900 tons worth 42.18 million dollars.

Orange imports rose a tiny 2.8 percent, discouraged by lower prices of domestic "mikan" mandarin oranges, while imports of orange juice plunged 25.9 percent in a reactionary move against last year's surge after liberalization of the farm product.

North Korea

Japan-U.S. Meeting on Cooperation Denounced

SK2204105394 Pyongyang KCNA in English 1040 GMT 22 Apr 94

["Dangerous Military Tieup"—KCNA headline]

[Text] Pyongyang, April 22 (KCNA)—Japanese and U.S. brasshats met in Tokyo recently to discuss "the Japan-U.S. cooperation system for coping with a possible dispute on the Korean peninsula."

NODONG SINMUN today views this as a clear proof that the U.S. and Japanese reactionaries, in league with each other, are proceeding with designs of aggression and domination on Korea and other Asian countries.

They regard aggression on Korea as the key to achieving military upperhand and supremacy in Asia, the analyst says, and continues:

The United States is intending to stifle the DPRK by using the Japanese territory and its military and economic potentials, while the Japanese reactionaries are scheming to convert Japan into a military power in a short period and gratify their desire to stage a comeback to Korea by cooperating with the United States in the execution of its policy.

It must not go unnoticed that the Japanese reactionaries are openly revealing their design to reinvade Korea, charging the DPRK with "nuclear development" and "missile threat" at a time when the United States has intensified the anti-DPRK campaign to stifle it as never before.

It is a lie to describe the Japan-based U.S. Forces as something for "Japan-U.S. security." They have been deployed according to the U.S. aggressive strategy of forward deployment. Their basic mission and duty are to play the role of a shock brigade in the execution of the U.S. policy of aggression and war against the DPRK and other Asian nations.

The U.S. and Japanese reactionaries must give up their criminal military tieup and aggressive moves against the DPRK and other Asian nations.

Commentary Denounces Military Buildup in South

SK2204124494 Pyongyang Korean Central Broadcasting Network in Korean 1224 GMT 21 Apr 94

[Commentary by Yun Pyong-son: "Premeditated Military Buildup Maneuvers"]

[Text] The U.S. imperialists' military buildup maneuvers to provoke a new war on the Korean peninsula have become more unscrupulous. According to a report on the testimony at a subcommittee of the U.S. Senate Armed Services Committee on 18 April, (Rowen), assistant secretary of the U.S. Department of Defense, revealed that the United States would deploy anew to South

Korea one brigade of military equipment, including tanks, howitzers, and multiple rocket launchers.

Stating that the United States is pushing ahead with a new strategy of deploying various types of firing instruments and combat equipment on naval ships in South Korean waters and in the waters surrounding it, (Rowen) babbled that, through this strategy, the United States could more quickly deploy stronger ground forces to battles and that it was correcting the problem of a lengthy deployment of tanks and other heavy weaponry to battle sites, as took place during the Persian Gulf war.

This is part of the premeditated military buildup maneuvers designed to take a preemptive attack on our republic and openly reveals the U.S. criminal attempt to ignite a nuclear war.

A tense situation still prevails on the Korean peninsula. This is totally because of the treacherous acts by the United States. As everyone knows well, the United States made it clear domestically and internationally through a DPRK-U.S. joint statement that it wants to resolve the nuclear issue of the Korean peninsula peacefully, that it will not use force of arms, including nuclear weapons, against the other side, and that it will not even threaten the other side with such a force of arms.

Completely overturning the agreement made at the DPRK-U.S. contact in New York, however, the United States is concentrating its large-scale aggression Armed Forces in South Korea and in the area surrounding it, babbling that it will not rule out a preemptive attack against us and that it will suspend the North's nuclear development even at the risk of a war, and, thus, staging every day a provocative war exercise for a northward invasion.

Following the recent deployment of offensive-purpose Apache helicopters to South Korea, Patriot missiles arrived in Pusan on 18 April. It is also said that aggression forces and missile equipment loaded on other transport ships will arrive in South Korea soon to complete the deployment of the Patriot missile unit to the frontline area.

In addition, U.S. Defense Secretary Perry flew into South Korea and had a conspiratorial war conference with puppet military bosses. His junket to South Korea was not only a junket for frontline command [ilson chihwi haenggak] designed to convert the puppets' plan for a northward invasion into practice, but is also a junket to con[illegible]ire to organize combined armed forces against us, which is a phenomenon that we can see usually on the eve of a war.

The fact that at this juncture the assistant secretary of the U.S. Department of Defense revealed the United States would deploy military equipment, including tanks, howitzers, and multiple rocket launchers, to South Korea vividly shows that the U.S. imperialists are attempting to further reinforce their force of arms on the Korean peninsula in order to provoke a war of Northward invasion at any cost. This also clearly proves that it is none other than the United States who is leading the situation on the Korean peninsula to the brink of war and that they have no intention at all to solve the nuclear issue by means of dialogue.

It is evident to everyone that when, following the deployment of Patriot missiles, heavy weaponry such as tanks, howitzers, and multiple rocket launchers are deployed to South Korea, the situation on the Korean peninsula will be further aggravated.

The U.S. imperialists are busily moving in order to provoke a war of northward invasion. The U.S. imperialists' inherent nature of aggression has not changed at all. The United States, which became the only superpower after the end of the cold war, now acts more arrogantly, further strengthening its military threat and blackmail against small countries and, particularly, on those countries advancing toward independence. This finds expression in the U.S. imperialists' maneuvers for arms buildup and war on the Korean peninsula.

The U.S. imperialists should clearly know that they cannot subdue or frighten our people with military threats or blackmail.

We are prepared for both dialogue and war. If someone provokes us, our people and People's Army will retaliate on the rascal a thousand-fold. Our people, who regard independence as life, will sternly punish any aggressor and resolutely defend the nation's sovereignty.

The South Korean puppets should not run wild indiscriminately, fools rush in where angels fear to tread.

Patriot Deployment Condemned as 'Grave Threat'

SK2204111894 Pyongyang KCNA in English 1100 GMT 22 Apr 94

["U.S. Must Act With Discretion"—KCNA headline]

[Text] Pyongyang, April 22 (KCNA)—The U.S. imperialists Thursday [21 April] began to deploy new-type Patriot missiles in the central sector of the front after shipping them into South Korea despite the resolute protest and denunciation from the Korean people and broad world public, according to Seoul-based radio No. 1.

This is an open challenge to the DPRK. It is aimed at posing military threat to the DPRK and mounting a preemptive strike on it.

The United States began to deploy the Patriot in the central sector of the front, while crying over "threat of attack" from the North. This is a dangerous, deliberate military action to make the situation on the Korean peninsula more unstable and, further, ignite a new war.

The deployment of Patriot missiles in broad daylight shows that the U.S. authorities remain indifferent to the armistice agreement and the armistice body and readily reverse any commitment in order to attain their aggressive design.

The U.S. imperialists must act with discretion, clearly mindful what grave consequences would arise from the deployment of the Patriot in South Korea which poses a grave threat to peace and security on the Korean peninsula and in the Far East.

U.S. Defense Secretary's ROK Trip Denounced

SK2204102194 Pyongyang KCNA in English 1007 GMT 22 Apr 94

[Text] Pyongyang, April 22 (KCNA)—U.S. Defense Secretary William Perry's three-day visit to South Korea was a war monger's trip aimed at examining the war preparations against the North on the spot and giving a new order to the puppets.

During his trip, Perry held military confabs with the traitor Kim Yong-sam, the puppet defence minister and the puppet foreign minister and framed a series of dangerous intrigues such as resumption of the Team Spirit joint military maneuvers this year, reinforcement of U.S.-South Korea combined forces, strengthening of a "cooperation system" and promotion of "sanctions against the North" at the United Nations Security Council.

This was an unpardonable criminal act which would bring the situation on the Korean peninsula to a crisis and might cause a dangerous event.

Perry did not forget to cry over the "provocation" of the North. But this was intended to justify the aggressive design of the United States.

It goes without saying that the military provokers on the Korean peninsula are the United States and the South Korean puppet clique that deployed new-type Patriot missiles in South Korea and plan to extensively introduce tanks, howitzers, multiple rocket vehicles and other means of war.

The warhawk Perry's visit to South Korea and war confabs show well that the U.S. authorities have no willingness to settle the nuclear issue on the Korean peninsula through dialogue and negotiation but they are working hard to stifle the DPRK with strength.

It must not go unnoticed that the Kim Yong-sam group invited the U.S. defense secretary for a "close cooperation system" and held war confabs with him against fellow countrymen. This eloquently shows that the Kim Yong-sam group is a gang of never-to-be-condoned traitors hell-bent on war provocations against the North with the sinister intention to slay fellow countrymen in collusion with outside forces as a war servant of the United States.

Although the U.S. imperialists and the South Korean puppet clique are trying to strengthen the "cooperation system" and overpower the DPRK with strength, it is a foolish dream.

The U.S. imperialists and the "civilian"-veiled warmaniacs must refrain from rash acts, clearly mindful that their persistent line of war and confrontation will lead to their own destruction.

Radio Denounces Perry 'War Conference' in ROK

SK2104235894 Pyongyang Korean Central Broadcasting Network in Korean 2200 GMT 21 Apr 94

[Text] U.S. Defense Secretary Perry, flying into Seoul despite South Korean people's strong opposition and rejection, is holding a series of war conferences [chonjaeng moui] with the Kim Yong-sam ring.

On 20 April, Perry held a conference with traitor Kim Yong-sam and discussed measures to jointly deal with the North's so-called nuclear issue and the issue of building up the U.S.-South Korean combined forces. The nation-selling traitor Kim Yong-sam, raving that a close joint cooperation system and arms buildup posture are essential to the solution of the North's nuclear problem, begged his U.S. master to sell more weapons to South Korea.

Perry and the Kim Yong-sam ring demanded again our acceding to the additional inspection [chuga sachal] by the International Atomic Energy Agency, the unjustness of which has already been clearly proven, and decided to push ahead with the UN Security Council's sanctions on the North, according to a report.

In the conference, the two of them agreed that the South Korean puppets will introduce a mobile ultra-modern radar equipment from the United States soon and that the United States will predeploy heavy weaponry for brigade-scale rapid deployment forces to South Korea.

On the same day, Perry held a secretive conference with the puppet defense minister as well. The two of them, raving about the North's fictitious nuclear issue, agreed to maintain a joint cooperation system, to build up arms, and to conduct the criminal Team Spirit war exercise, according to a report. In the conference, Perry explained a U.S. plan to build up the combat capability of the combined forces, including the additional deployment of heavy weaponry to South Korea, and the modernization plan of the U.S. Forces in South Korea.

In the talks between Perry and the puppet foreign minister held on the same day, the two of them discussed joint measures for the phase of tension [kinjang kungmyon] and agreed to grope for various measures, including economic sanctions against us, according to a report.

On 20 April, while the very dangerous war fever for northward invasion was actively inspired, Perry did not hesitate to make a violent remark threatening someone that the military situation on the Korean peninsula should not be miscalculated.

In the meantime, a deputy spokesman for the U.S. Defense Department disclosed that the Patriot missiles deployed in South Korea will soon be positioned for actual combat deployment.

The war conference between the U.S. secretary of defense and the Kim Yong-sam ring reveals how recklessly the U.S. imperialists and the South Korean puppets are going wild to accelerate at the final practical

stage the preparations for a nuclear war of northward invasion to crush [apsal] us under the pretext of the fictitious North Korean nuclear issue.

Because of the frenzied war provocation commotions of the U.S. imperialists and the South Korean puppets, the situation on the Korean peninsula is dashing minute by minute to a dangerous brink of war. The U.S. imperialists and the South Korean puppets should be aware of what dire consequences their war frenzy will bring them, refrain from rash acts, and act with discretion.

U.S.-ROK 19-20 Apr War Exercises Reported

Chemical War Exercise

SK2204023494 Pyongyang Korean Central Broadcasting Network in Korean 2200 GMT 20 Apr 94

[Text] According to a radio report from Seoul on 19 April, the puppet Navy Operational Command staged a so-called joint chemical, biological, and radiological exercise with the 23d Chemical Battalion of the U.S. imperialist aggression forces. In this war exercise, which was aimed at waging a port blockade in Chinhae District, the racals clamored about a perfect posture, improvement of the capability of technique and tactics for an actual war, and the like, thus, inspiring war fever.

That the U.S. imperialists and the South Korean puppet clique which are frantically running wild in arms buildup for a northward invasion are constantly waging a new military commotion proves that the rascals are further driving the situation of the Korean peninsula to the brink of war.

Air Refueling Exercise

SK2204050294 Pyongyang Korean Central Broadcasting Network in Korean 2200 GMT 20 Apr 94

[Text] According to a military source, the U.S. imperialists staged a nighttime airborne refueling exercise for a northward invasion on 18 and 19 April.

For this war exercise, two KC-130 refueling planes from an overseas base were deployed to a U.S. air base in South Korea in the afternoon of 18 April. These refueling planes, which were mobilized on the skies over the sea off Kunsan around 2100 hours [1200 GMT], that day refueled some 50 various types of fighters-bomber and assault fighters, flying between Oeyon island and Taehuksan island until dawn of the next day.

Tnis war exercise, which was frantically staged under the cover of fighters from U.S. air bases in Japan, was aimed at improving the capability of nighttime airborne refueling to airplanes mobilized from overseas air bases and long-range airplanes belonging to the U.S. Air Forces unit in South Korea and the puppet Air Force for a northward invasion.

'Surprise Strike' Exercise

SK2204053494 Pyongyang KCNA in English 0423 GMT 22 Apr 94

[Text] Pyongyang, April 22 (KCNA)—The U.S. imperialists and the South Korean puppets on April 20 staged an air war exercise against the North simulating a surprise bombing on targets with the mobilisation of more than 300 fighter-bombers, assault planes, observation planes and reconnaissance planes after creating an electronic jamming in the skies above Chungju, Yongwol, Wonju, Kanghwa Island, Pochon and Yonchon of South Korea, according to military sources.

This exercise staged under the command of an E-3 early warning plane was a very dangerous war gamble aimed at a surprise strike at the northern half of Korea.

This vividly shows that the U.S. imperialists are racing headlong along the road of confrontation and war on the Korean peninsula.

'American Friends' Urges U.S. To Resume Talks

SK2204104394 Pyongyang KCNA in English 1021 GMT 22 Apr 94

[Text] Pyongyang, April 22 (KCNA)—The American Friends Service Committee in a recent statement urged the United States to stop utterance threatening military action and resume talks with the DPRK.

The statement warned that the U.S. deployment of Patriot in South Korea, resumption of Team Spirit joint military maneuvers and pursuit of international "sanctions" would only aggravate the tensions and increase threat to the DPRK.

Therefore, the only way of relaxing the tensions is dialogue, said the statement.

The statement demanded that the United States put the final stop to the Team Spirit maneuvers, withdraw its troops from South Korea, reduce its nuclear weapons and equitably apply the nuclear non-proliferation policy to all countries so as to take the lead in the promotion of the denuclearisation of the Korean peninsula and the rest of the world.

Foreign Groups Denounce U.S. 'Hostile' Policy

SK2204104594 Pyongyang KCNA in English 1029 GMT 22 Apr 94

[Text] Pyongyang, April 22 (KCNA)—Foreign public circles denounce the U.S. hostile policy toward the DPRK and express support and solidarity for the Korean people's struggle of justice.

The chairman of the Central Committee of the National Union of Democratic Youth of Nepal in his speech at a mass rally in Katmandu on April 8 condemned the U.S. hostile policy toward the DPRK.

The ralliers adopted a letter of protest to U.S. President Bill Clinton and marched toward the U.S. Embassy shouting slogans with the placards "U.S. Imperialists,

Promptly Stop Campaign Against North Korea Over Nuclear Issue" and "U.S. Imperialists, Quit Korean Peninsula." They handed the letter signed by 100 political and public figures to the U.S. Embassy. The letter demanded that the United States pull all its troops and nuclear weapons out of South Korea and give up the projected "sanctions" against the DPRK.

At a solidarity meeting held in Cuba earlier, the U.S. campaign against the DPRK was denounced and support and solidarity were expressed for the Korean people's just struggle.

A letter to the Korean people was adopted at the meeting

The French Institute for the Development of International Relations in a communique April 6 expressed full support and solidarity for the Korean people's just stand toward the situation prevailing on the Korean peninsula.

Pierre Welo Ahondju Ewale, chairman of the Zaire-Korea Friendship Association, in a statement April 5 stressed that the United States must sincerely approach the unshakable attitude of the DPRK Government to find a peaceful, negotiated solution to the nuclear issue on the Korean peninsula.

Al-Qadhdhafi Denounces U.S. 'Nuclear Threat'

SK2204045594 Pyongyang KCNA in English 0430 GMT 22 Apr 94

[Text] Pyongyang, April 22 (KCNA)—Colonel Mu'ammar al-Qadhdhafi, leader of the great September First Revolution of the Great Socialist People's Libyan Arab Jamahiriya, denounced the nuclear threat of the United States to the DPRK at the second lawyers conference of Libya held in Tarabulus over April 14-16.

In his speech he charged that the United States was using the United Nations as a tool for suppressing the people and abusing it for the attainment of its aims. "The confrontation today is a confrontation with imperialism," he said.

Saying he did not pin any hope on the UN Charter which had already been violated and destroyed, he went on:

"Has North Korea occupied Kuwait? Or has it reached the nuclear arms on the earth? Is this the reason why they abuse and threaten North Korea and attempt to strike it? Aren't they going too far?

"We must fight a bloody fight against imperialism. We will fight to the last man to defend our rights."

Mass Rally Protests ROK Nuclear Waste Dumping

SK2104152094 Pyongyang KCNA in English 1514 GMT 21 Apr 94

["South Korean Puppets' Nuclear Waste Dumping Denounced"—KCNA headline]

[Text] Pyongyang, April 21 (KCNA)—Working people in Pyongyang held a mass rally today to bitterly denounce the South Korean puppets' criminal dumping of nuclear waste.

Hwang sang chun, chairman of the State Environmental Commission, and representatives of various strata took the floor.

The speakers branded the South Korean rulers' nuclear waste dumping in the sea as an anti-national, anti-human crime that can be committed only by those indifferent to the existence of the nation and international law and as a never-to-be-condoned crime in cutting the lifeline of the nation.

The South Korean puppets dumped as much as 11,000 trillion bequerel of nuclear waste in the sea in the 1986-1992 period.

In South Korea, even the Raktong River has been contaminated with radioactive material, causing a big public stir.

The speakers said due to the South Korean puppets' nuclear waste dumping, fishes in South Korean waters have disappeared, the haul of myongthae has diminished to ten percent, undaria pinnatifida and other sea resources have been exterminated and women often give birth to deformed babies.

They pointed out that the nuclear waste dumping is getting more grave and dangerous with the nuclear arms development promoted in secrecy in South Korea.

The South Korean puppets started to develop nuclear weapons under the "nuclear umbrella" of U.S. imperialism long ago and now they are promoting nuclear arms development, possessed of reprocessing facilities.

The traitor Kim Yong-sam unilaterally scrapped the joint declaration on the denuclearization of the Korean peninsula.

The speakers denounced the Kim Yong-sam group for massively shipping Patriot and other means of nuclear war to South Korea and desperately working to unleash a war while crying for an "international cooperation system" and "military countermove" over the faked-up "nuclear issue" of the North.

They demanded that the South Korean puppet clique unconditionally stop the nuclear arms development, discard the intention of igniting a new war in collusion with outside forces and step down without delay.

Greenpeace Antinuclear Rally in ROK Reported

SK2204051394 Pyongyang KCNA in English 0434 GMT 22 Apr 94

["Criminals Must Face Justice"—KCNA headline]

[Text] Pyongyang, April 22 (KCNA)—Members of Greenpeace, an international organisation of environmental movement, held an anti-nuke rally in Samchok, South Korea, together with members of South Korean

organisations of environmental and anti-nuke movement, at which they urged the puppet authorities to stop the construction of an atomic power station, sounding warning against the danger of radioactive leakage from it.

This is an expression of the unshakable will of the members of Greenpeace and the South Korean people not to tolerate the criminal acts of the South Korean puppets in dumping nuclear waste in the sea to destroy the ecological environment of the Korean nation and mankind, declares MINJU CHOSON in a commentary today.

The analyst says:

Nuclear waste dumping in the sea by the South Korean puppets is a heinous crime in reducing the Korean peninsula and its surrounding waters to a barren region contaminated with nuclear substance and a wanton violation of the international law and convention banning nuclear waste dumping in the sea.

It is quite natural that Greenpeace members conducted anti-nuke activities in South Korea together with the local people.

If the Kim Yong-sam group continue to dump nuclear waste in the sea and wreck ecological environment while accelerating the development of nuclear weapons, ignoring the unanimous protest of the people at home and abroad, it will face a stern judgement by the whole nation and the world people.

Foreign Groups Note Support for Reunification

SK2104215594 Pyongyang KCNA in English 1504 GMT 21 Apr 94

[Text] Pyongyang, April 21 (KCNA)—Leaders and parties of different countries expressed full support to the Korean people's cause of national reunification and their efforts for a peaceful solution of the nuclear issue.

Meles Zenawi, president of the transitional Government of Ethiopia, when he met a DPRK Government delegation on April 15, expressed solidarity for the struggle of the Korean people to achieve an independent and peaceful reunification of their country, and supported the DPRK's stand to solve the nuclear issue of the Korean peninsula peacefully through DPRK-USA talks.

Prime Minister of Uganda George Kosmas Adyebo when he met a delegation of the DPRK Foreign Ministry on April 14, expressed support and solidarity for the just cause of the Korean Government and people for the reunification of the country by means of confederacy. He said he firmly supports Korea's stand to peacefully solve the nuclear issue of the Korean peninsula through the DPRK-USA talks.

Antoine Malonga, chairman of the Congolese Movement for the Construction of New Society, when he received the DPRK ambassador to his country on April 9, denounced the anti- socialist, anti-DPRK moves of the United States and its satellite forces and expressed full support to the self- defensive measures of the DPRK.

The world will see a great victory of the Korean-style socialism, he stressed.

Valeri Sklatov, chairman of the Liberal Patriotic Party for the "Rebirth" of Russia, when he met with the DPRK ambassador on April 7, expressed full support to the DPRK's stand on the nuclear issue and denounced intrigues of the United States.

The secretariat of the Central Committee of the Socialist Party of Australia in a statement April 11 urged the United States to stop its threats and pressure on the DPRK at once and implement the policy based on non-interference in the internal affairs of sovereign states.

'Sinister Acts' Against Chongnyon Condemned

SK2204051894 Pyongyang KCNA in English 0454 GMT 22 Apr 94

["Papers Rap at Anti-Chongnyon Rowdyism"—KCNA headline]

[Text] Pyongyang, April 22 (KCNA)—More than 70 gangsters belonging to an ultra-rightist organization of Japan, "the Kanto Council of the Great Japan Patriots Union" kicked up a row in Tokyo on April 19, shouting "Chongnyon, get out of Japan" and "North Korea, promptly stop nuclear threat to Japan."

Commenting on this, NODONG SINMUN today says this was an organised and premeditated provocative act perpetrated under the backstage manipulation of the Japanese authoritics for a sinister political purpose.

The analyst says:

This rowdyism staged in Japan in broad daylight was also a product of the Japanese reactionaries' hostile policy toward the Democratic People's Republic of Korea and their moves against the General Association of Korean Residents in Japan (Chongnyon.)

Drawing attention to the fact that the incident occurred at a time when the United States was intensifying its aggressive and belligerent moves on the Korean peninsula and shortly after the traitor Kim Yong-sam toured Japan, the analyst continues:

Chongnyon is an authoritative and dignified organization of overseas citizens of the DPRK. We will decisively cope with the attack on Chongnyon and its subsidiary organizations and Japan-resident Koreans, regarding it as an attack on the DPRK.

The Japanese authorities boasting of Japan being "a constitutional state" took no step to check the incident that occurred in the city center of Tokyo.

They must now make a thoroughgoing investigation into the incident, apologize for it, arrest and punish all the criminals responsible for the provocation, make clear the

truth behind the incident and take responsible steps to prevent the reccurence of such incidents.

A MINJU CHOSON analyst says:

If an unhappy thing occurred due to the sinister acts of the reactionary forces against Chongnyon and its branch organs, we will regard it as a provocation against the DPRK and call the Japanese authorities to account for it.

List of 'Comfort Women' Found at U.S. Archives

SK2204045094 Pyongyang KCNA in English 0425 GMT 22 Apr 94

[Text] Pyongyang, April 22 (KCNA)—The fact-finding group on the forcible drafting of Koreans on April 18 discovered among documents kept at the U.S. National Archives lists of about 10,000 Korean workers and women who were taken away by the Japanese imperialists for forced labour and as "comfort women for the army" during the Second World War, according to a KYODO report.

It was learned that the names of Korean workers and women drafted for forced labour and as "comfort women for the army" were in the lists of 180,000 soldiers of the former "Japanese Imperial Army" and civilian personnel who were taken prisoners of war by the allied forces in the Philippines.

The group plans to make public the lists soon.

SPA Chairman Meets Outgoing Indonesian Envoy

SK2204050494 Pyongyang KCNA in English 0415 GMT 22 Apr 94

[Text] Pyongyang, April 22 (KCNA)—Yang Hyong-sop, chairman of the Supreme People's Assembly [SPA], met and had a talk with the outgoing Indonesian Ambassador to Korea R. Muhamed Muharam Sumadipraja when the latter paid him a farewell call at the Mansudae assembly hall on Thursday.

Hwang Chang-yop Holds Talks With Iranian Group

SK2204051094 Pyongyang KCNA in English 0421 GMT 22 Apr 94

[Text] Pyongyang, April 22 (KCNA)—Hwang Chang-yop, secretary of the Central Committee of the Workers' Party of Korea, on April 21 met and had a friendly conversation with a delegation of the Workers Home of the Islamic Republic of Iran headed by its Deputy General Secretary Ebadati Esrafil Sarigihe.

The head of the delegation said he extended congratulations to the great leader His Excellency President Kim Il-song on his birthday.

I am convinced that although the United States, with huge Armed Forces deployed in and around South Korea, tries to destroy the Democratic People's Republic of Korea through military aggression, the people under the guidance of illustrious leaders, the people with revolutionary faith in their leaders will certainly win, he said.

Noting that the United States is now using the UN Security Council, the International Atomic Energy Agency and other international organisations as means of putting pressure on progressive countries, he stressed the United States would bump into resistance of revolutionary countries and meet its doom finally.

Turkish Friendship Delegation Arrives

SK2104224294 Pyongyang KCNA in English 1516 GMT 21 Apr 94

[Text] Pyongyang, April 21 (KCNA)—A delegation of the Turkish Association for Friendship With the People of the Democratic People's Republic of Korea led by Ali Kalan, chairman of the association and deputy general secretary of the Workers' Party of turkey, arrived here today.

It was met at the airport by Chun Yon-ok, vice-chairperson of the Korean Society for Cultural Relations with Foreign Countries and chairperson of the Korea-Turkey Friendship Association.

KCNA Reports Overseas Koreans Meet Yi In-mo

SK2104113894 Pyongyang KCNA in English 1053 GMT 21 Apr 94

[Text] Pyongyang, April 21 (KCNA)—Yi Yong-pin, chairman of the Society of Overseas Korean Christians for National Reunification in Germany, and his party Wednesday met and had a talk with Yi In-mo, a former war correspondent of the Korean People's Army who is called the incarnation of faith and will, in an atmosphere of compatriotic feelings.

Yi Yong-pin said he was deeply touched, seeing Yi In-mo leading a happy life in good health after he was embraced by the motherland thanks to the deep loving care of the great leader President Kim Il-song and the dear leader Comrade Kim Chong-il.

"There is no such great and kind person in the world as our great leader and dear leader," said Yi Yong-pin.

He denounced the South Korean rulers' violation of human rights and said compatriots overseas will vigorously fight for the repatriation of unconverted long-term prisoners in South Korea to the DPRK.

Concert Held for Unity of All Koreans

SK2204051294 Pyongyang KCNA in English 0437 GMT 22 Apr 94

[Text] Pyongyang, April 22 (KCNA)—A concert of Koreans at home and abroad for great national unity was held at the Yun I-sang Concert Hall in Pyongyang on April 21.

Korean artistes from Japan and China, artistes of the International Federation of Koreans for Reunification

and artistes in Pyongyang put on stage a colorful program including mixed choruses "Song of 10-point Programme of the Great Unity of the Whole Nation" and "We Sing of Our Happiness in Having the Great Leader".

The performers emotionally sang of the unanimous desire of the Korean nation to live happily in one territory after achieving the reunification of the country by concerted efforts of the nation.

Seoul Publisher Reportedly Prints Books on North

SK2204050894 Pyongyang KCNA in English 0427 GMT 22 Apr 94

[Text] Pyongyang, April 22 (KCNA)—The "Ilso" books publishing house in Seoul has printed and distributed more than 2,800 copies of books of the northern half of the country, according to a radio report from Seoul.

In September last year, this publishing house procured the literary and art work "Smelters" and other books of the northern half of the republic through a dissident academic organisation and reprinted it.

Upset by this, the fascist clique reportedly detained Pak Chi-kwan, chief editor of the house, on April 21 on charges of violation of the notorious "National Security Law".

French City Presents Medal to Kim Il-song

SK2204050694 Pyongyang KCNA in English 0417 GMT 22 Apr 94

[Text] Pyongyang, April 22 (KCNA)—Nanterre City, France, presented its commemorative medal to the great leader President Kim Il-song on his birthday.

On behalf of the mayor of the city, the deputy mayor handed the medal to the chief of the general mission of the DPRK in Paris.

The deputy mayor said his city deemed it the highest honor to offer the medal to President Kim Il-song, the outstanding leader of the Korean people who is making a distinguished contribution to the independence and sovereignty of Korea and its reunification cause, on his birthday.

'Big Efforts' To Improve Agriculture Reported

SK2204053594 Pyongyang KCNA in English 0457 GMT 22 Apr 94

[Text] Pyongyang, April 22 (KCNA)—Korea is putting big efforts into agricultural production this year, too.

According to the state budget for 1994, a huge amount of fund, or up 6 percent from last year, will go to the agricultural sector.

This year, Korea will consolidate the achievements of the rural technical revolution which has been completed in the main and bring its might into full play and further expand and develop the successes in mechanization and extensive application of chemicals in keeping with the high level of irrigation and electrification.

Many farm machines of various kinds are supplied to the countryside to develop the comprehensive mechanization of agriculture to a higher level. Only recently, 500 tractors and 250 trucks were supplied at a time to Chongdan, Yonan and Paechon Counties.

Large quantities of various chemical fertilizers are produced and supplied as well.

Last year, the state allocated funds, or up 2.8 percent from the previous year, to agriculture.

One of the most important successes registered in the countryside of Korea last year is that an unusual bumper harvest was reaped even under the unfavorable weather conditions.

Government-Funded Public Projects Outlined

SK1904105694 Pyongyang KCNA in English 1032 GMT 19 Apr 94

["Calculation for People"—KCNA headline]

[Text] Pyongyang, April 19 (KCNA)—The Tongil Street in Pyongyang is lined with rows of superhigh apartment houses of tower, folding screen and other styles for tens of thousands of families and public welfare facilities along the bank of the River Taedong. All the several-room flats of the street ensure conditions for the living of the dwellers on the highest level. The state has provided people gratis with these houses built at a colossal cost. The DPRK does not count money, if it is for the people.

The dear leader Comrade Kim Chong-il said that national fund must not be spared in providing people with a happy life, stating: "This is my arithmetic and the calculating system of the Workers' Party of Korea."

When the construction of factories, hospitals, recreation facilities and other objects was projected, he acquainted himself first of all with their usefulness for the people before calculating its cost and, when he found them needed to the people, he saw to it that they were built on the highest level without delay.

It was in September 1979 when the Pyongyang maternity hospital with a plottage of 43,000 square metres and a floor space of over 60,000 square metres was under construction. While acquainting himself with the progress of the project, he learned that it was designed to cover some corridor floors with artificial stones. He gave instructions to cover all the corridor floors and indoor stairs with marbles, asking where else marble should be used if not for the hospital which would be a palace for the "kings" of the country. He earnestly said jewels must be used for the designs, saying nothing must be spared for the children, no matter how much it might cost. Thus, the floor of the central entrance hall was covered with "a jewel carpet". A total of 35 tons of natural jewels were used in this.

Under his benevolent care 20 years ago, a TV relay tower was erected for a few families in a remote village of lumberjacks in Chagang Province, a branch school built for two children on a beacon islet and a railway station set up for a few school children.

It was under the boundless care of Comrade Kim Chong-il for the people that Pyongyang and local cities have taken on grand looks and many monumental architectures including the Changgwang health complex, the ice rink, the Chongnyu restaurant, the Grand People's Study House and the Hamhung dental preventive hospital have been built in the country.

Release of New Scientific Films Reported

SK2104105194 Pyongyang KCNA in English 1004 GMT 21 Apr 94

[Text] Pyongyang, April 21 (KCNA)—Several scientific films have been released of late by the Korean scientific and educational film studio.

The scientific film "Lactic Acid Drink Made of Water Strained Off Coagulating Bean Curd" introduces an easy method of making the drink.

The water in which bean is swollen and the water strained off coagulating bean curd contain different kinds of nutritious ingredients. When they are fermented by putting lactobacilli into them, they are turned into a good lactic acid drink.

It is good for daily drinking and is highly effective in promoting the digestive functions and preventing and curing colitis and other diseases.

The scientific film "Magnet and Fur" shows the mechanism of the device of cleaning fur from boilers, telling it will pay off profusely if it is installed at all places where fur forms.

Besides, the studio has made scientific films of different themes such as "Production of Methane in Winter", "Calcining Egg Coal", "King Tongmyong and His Tomb" and "Taekwon-do and Health".

Children's Garden at Mangyongdae Described

SK2104215894 Pyongyang KCNA in English 1506 GMT 21 Apr 94

[Text] Pyongyang, April 21 (KCNA)—All kinds of flowers are in full bloom and trees grow green at the April 15 children's flower garden as spring came. The flower garden covers an area of more than 100 hectares around the Mangyongdae school children's palace in Pyongyang.

It was opened in April, 1992.

Tens of thousands of trees and 50,000 plants of flowers of more than 130 kinds from all parts of the country and many countries of the world have taken roots, giving off fragrance.

The garden serves as a fine base for the cultural and emotional life of the school youth and children and working people, as a base for botanical education.

South Korea

IAEA Responds to DPRK Regarding Fuel Rods

SK2204005494 Seoul HANGUK ILBO in Korean 22 Apr 94 p 1

[Text] On the afternoon of 21 April, Hans Blix, director general of the International Atomic Energy Agency [IAEA], sent a message to North Korea expressing the IAEA position on North Korea's proposal for the IAEA to witness the exchange of nuclear fuel bars at its nuclear facilities.

It has been learned that Director General Blix said that the witnessing of IAEA inspectors of the exchange of nuclear fuel bars should be technically and perfectly carried out without any obstruction. He also said the inspection of the radiochemical laboratory, which was not carried out during the past inspections, should be fully resumed as well.

To Observe Change of Fuel Rods

SK2204014994 Seoul YONHAP in English 0140 GMT 22 Apr 94

[Text] Seoul, April 22 (YONHAP)—The International Atomic Energy Agency (IAEA) has officially informed North Korea that its inspectors will be present when nuclear fuel rods are changed at the 5-megawatt reactor in Yongbyon, as proposed by Pyongyang.

One senior South Korean Government official said, "the IAEA has made a decision to accept the North Korean proposal and conveyed its intention to send its inspectors to North Korea so that they can be present for the changing of nuclear fuel rods at the 5-megawatt reactor."

As a result, IAEA inspectors could arrive in North Korea sometime next week as the nuclear fuel rods will likely be replaced in early or mid-May.

The UN Security Council, in a statement by its president, urged North Korea to accept additional IAEA inspections before the middle of next month.

"The IAEA has told North Korea to ensure safety measures needed by IAEA experts during the nuclear fuel rod changing," the official said, indicating that the agency and Pyongyang are still negotiating follow-up measures to the rod replacement and problems related to further checks.

In particular, the IAEA is said to be stressing the need for additional inspections of the 5-megawatt reactor and a radiochemical laboratory, which Pyongyang refused to allow last time, he said.

IAEA Spokesman on Meeting With DPRK Officials

SK2204004294 Seoul HANGUK ILBO in Korean 22 Apr 94 p 1

[By Han Ki-pong from Paris]

[Text] David Kyd, spokesman for the International Atomic Energy Agency [IAEA], said on 21 April that the IAEA is now meeting with high-level officials of the North Korean mission in Vienna to concretely discuss the timing and method of additional inspection of the North Korean nuclear facilities.

Spokesman Kyd said that "it is highly possible that North Korea will accept additional inspections of its nuclear facilities before the end of April, at the earliest, as wished by the IAEA," and added that "in preparation for the smooth progress of discussions with North Korea, the IAEA is ready to send its inspection team to Pyongyang within next week."

On 20 April, North Korea sent a message to the IAEA proposing that IAEA inspectors witness the upcoming change of fuel bars at its 5-megawatt nuclear reactor in Yongbyon.

An IAEA source also said that "in the message North Korea asked the IAEA to witness the upcoming change of fuel bars at its nuclear reactor," and that "this is the first concrete reaction from North Korea to the international community's request for additional nuclear inspection."

Papers React to U.S. Secretary Perry's Remarks

SK2204134494

[Editorial Report] The following is a compilation of editorials and reports carried by Seoul vernacular dailies on 22 April on the remarks made by U.S. Secretary of Defense William Perry regarding North Korea's possible possession of enough plutonium to produce four or five nuclear weapons.

The conservative CHOSON ILBO carries on page 1 a 200-word report entitled "North Korea Will Possess Enough Plutonium To Produce Four or Five Nuclear Weapons." The report begins: "U.S. Secretary of Defense William Perry said on 21 April that there is political tension, but no military tension, on the Korean peninsula. The United States does not want a war to be waged on the Korean peninsula, nor provoke a war, nor invite it."

Referring to the remarks by U.S. Government officials in the past that North Korea has extracted enough plutonium to produce one or two nuclear weapons, the report writes: "U.S. Secretary of Defense Perry said that North Korea will have enough extra plutonium within weeks to produce four or five nuclear weapons."

CHOSON ILBO carries on page 3 an 800-word editorial entitled "The Remarks by U.S. Secretary of Defense William Perry." Referring to his remarks that there is no danger of a war on the Korean peninsula, the editorial expresses relief, because Perry's remarks must have been made based on good information.

The editorial continues: "It is important to make people trust in the government's readiness in dealing with North Korea," referring to the people's attachment of more importance to the government's action and steps. The editorial adds that "it is important for the government to always prepare for the danger of war."

The moderate HANGUK ILBO carries on page 1 a 300-word report entitled "There Is No Immediate Danger of War on the Korean Peninsula." Referring to U.S. Secretary of Defense William Perry's remarks that media reports on tension on the Korean peninsula is exaggerated, the report writes: "He said that North Korea would change fuel bars in its 5-megawatt reactor within weeks and this fuel would provide sufficient plutonium to make four or five nuclear bombs."

HANGUK ILBO carries on page 3 an 800-word editorial entitled "The Changing Situation Regarding the North Korean Nuclear Issue." Referring to the meeting between ROK National Defense Minister Yi Pyong-tae and U.S. Secretary of Defense William Perry on the North Korean nuclear issue, the editorial writes: "It is very significant that the ROK and United States have agreed to strengthen their joint combatant capabilities to prepare for a surprise attack by North Korea."

The editorial continues: "The ROK and U.S. Governments have set the timing of the resumption of the Team Spirit exercise at around November, which is an expression of their firm will to cooperate on dealing with North Korea." Noting remarks by U.S. Government officials that North Korea possesses enough plutonium to produce nuclear weapons, the editorial writes: "These remarks attract the people's attention because they negate the remarks made by President Kim Il-song that North Korea will not produce nuclear weapons, nor feel the need to produce them."

Referring to North Korea's reaction to the International Atomic Energy Agency's, IAEA, request for additional inspections of its nuclear facilities, the editorial writes: "It is not hard to access the background of North Korea's change of attitude. The reason North Korea has changed its attitude is the fact that there is only a few days remaining until the IAEA deadline for additional inspections, as set forth in the presidential statement by the UN Security Council."

The editorial continues: "The change in North Korea's attitude is to gain much more support from the United States during the third round of U.S.-DPRK high-level talks," and urges the government to be more prudent in dealing with North Korea in close cooperation with the United States. The editorial concludes: "It is important for the government to ask the United States to hold the third round of U.S.-North Korean talks after North Korea accepts overall inspections [chonmyon sachal] of

its nuclear facilities, as well as special inspections of its two nuclear waste material storage facilities [haekpyogimul chojangso]."

The moderate TONG-A ILBO publishes on page 3 an 800-word editorial entitled "ROK, U.S. Reaction to North Korean Nuclear Issue." The editorial writes the decisions made by ROK and U.S. defense ministers are very significant because it will prevent any difference between ROK and U.S. opinions regarding the North Korean nuclear issue and strengthens military alliance between the two countries.

The editorial continues that the decision to modernize the combined forces is more significant because "reaffirming the need for improvement of combat capacity, which is discussed in every annual Security Consultative Meeting, reflects the importance at this point."

The editorial stresses that in the meantime, the ROK and the United States should not rule out peaceful and diplomatic efforts to resolve the North Korean nuclear issue.

The moderate KYONGHYANG SINMUN publishes on page 3 an 800-word editorial entitled "If North Korea Has Nuclear Bombs." Referring to the "shocking" remarks of U.S. Defense Secretary Perry that North Korea will be able to make four to five nuclear bombs within weeks, the editorial writes it serves as a warning to the ROK Government's relaxed judgment underestimating North Korea's nuclear capability.

Denouncing the government's inconsistent policy on North Korean affairs, the editorial urges "immediate" and "major" changes of the security policy, the establishment of an independent intelligence system, and a review of the hasty denuclearization decision giving up nuclear reprocessing facilities.

The left-leaning HANGYORE SINMUN carries a 1,100-word article by reporter Yi Sang-ki entitled "Did He Sell Weapons or Not?" The article reports that although Secretary Perry denied he had tried to sell U.S. weapons, "there is a high possibility that the subject was discussed by the working-level officials of Secretary Perry's entourage by noting that the purchase of arms systems, including the global positioning system, was included on the agenda."

The article also analyzes that ROK Defense Minister Yi Pyong-tae hinted at additional arms purchases by saying that priority will be given to counter-battery capability, night-fighting capability, and the enhancement of interoperability to improve the combined forces.

The article reports that some officials of the ROK Defense Ministry expect more pressure to buy U.S. weapons and that the Defense Ministry is establishing its own new purchasing strategies irrespective of U.S. pressure.

Official Leaves for Russia DPRK Loggers Talks

SK2104031294 Seoul HANGUK ILBO in Korean 21 Apr 94 p 1

[Text] The government urgently sent Choe Tong-chin, first assistant foreign minister, to Russia on 20 April to hold working-level discussions with the Russian Government for the early return of North Korean loggers to the ROK.

Assistant Minister Choe will meet with high-ranking authorities of the Russian Foreign Ministry and the Internal Affairs Ministry to confirm the loggers' will to defect and to discuss measures for their security. The ROK Foreign Ministry will form a working-level council headed by Assistant Minister Choe as soon as he returns on 23 April.

Special Organization for DPRK Escapees Planned

SK2204100894 Seoul YONHAP in English 0846 GMT 22 Apr 94

[Text] Seoul, April 22 (YONHAP)—The government and the ruling Democratic Liberal Party (DLP) have decided to form a special organization to deal with North Korean escapees, DLP policy coordinator Paek Nam-chi said Friday.

The organization is to be comprised of officials from the Economic Planning Board, the Agency for National Security Planning, the National Unification Board, and the Health and Social Affairs, Foreign and Labor Ministries.

The government and the ruling party held a joint meeting on foreign affairs Friday attended by Chong Che-mun, chairman of the National Assembly's Foreign Affairs and National Unification Committee, and Foreign Minister Han Sung-chu to discuss handling escapees from logging camps in Siberia and other North Koreans fleeing their country.

The soon-to-be-formed organization will study revision of related legislation including the law to protect North Korean defectors here as well as enact a law to protect refugees, the official said.

The body is also expected to work out concrete measures to help North Korean refugees in South Korea—providing them with opportunities for vocational education and social adaptation training, among others.

Hundreds of North Koreans have escaped from Siberian logging yards, testifying later to rampant human rights violations inside the camps.

The government and DLP officials agreed to devise mid- and long-term measures as the number of escapees from logging camps in Siberia and from North Korea is expected to keep increasing.

The officials decided to concentrate on strengthening the North Koreans' ability to stand on their own here rather than giving them financial support.

ied the principle that North Koreans
fter escaping from logging camps in
Korea can resettle in South Korea if

lans to hold diplomatic negotiations
Government on the matter, according
or Park.

n Minister Han reported recent devel-
orth Korean nuclear problem to the

Atomic Energy Agency (IAEA) sent
itive answer to Pyongyang's proposal
ors visit Yongbyon and witness the
fuel rods at the 5-megawatt reactor,"

id, responded that nuclear safeguards
ssary to complete its inspections and
ongyang permit further checks of
was denied access to last March and
nuity of safeguards.

of the 5-megawatt reactor is important
clear transparency of North Korea,"

ns Asked To Ensure Safety of

ul YONHAP in English 0820 GMT

l 22 (YONHAP)—The government
rseas missions Friday to pay extra
ng the safety of Korean residents and
lest Pyongyang harm them in retali-
lecision to give protection to North
ing Siberian camps.

e could harm North Korean escapees
ean tourists in Russia to retaliate for
resettle willing loggers in the South, a
fficial said.

Embassy in Moscow and other over-
e instructed to protect all Koreans
said.

ls Message to DPRK Red Cross

ul KBS-1 Radio Network in Korean
94

ment sent a telephone message to
morning, objecting to North Korea's
riation of long-term prisoners who
from communism. It has, however,
to repatriate figures who were kid-
orea and to resume talks between the
ed Cross societies.

government sent the telephone mes-
acting chairman of the North Korean
Central Committee, in the name of
Kang Yong-hun, president of the Korea National Red Cross, and stressed: Because Mr. Kim In-so—whom North Korea asked on 19 April to be repatriated to the North as a long-term prisoner because he refused to convert from communism—acquired the ROK nationality on his free will, is no longer a prisoner of war. If North Korea is interested in the humanitarian issue, it should take practical steps to resolve the separated family matter.

In today's message, the government said that the reason no progress had been made in the settlement of the separated family issue is because of the North side's failure to implement an agreement reached between the North and South and demanded that, based on the spirit of the Red Cross Society, the North side repatriate approximately 440 persons—who were kidnaped to the North—including Tongjin Ho sailors, as soon as possible, and that it immediately resume the suspended Red Cross talks.

Daily Sees Start of 'Military Diplomacy'

SK2004022094 Seoul TONG-A ILBO in Korean 19 Apr 94 p 3

[By Ha Chun-u: "Beginning of Military Diplomacy"]

[Text] Defense Minister Yi Pyong-tae's overseas visit is the first official trip of military diplomacy since the revision of the national defense goal of adopting a comprehensive concept of security on neighboring countries.

Among the three countries which Defense Minister Yi will visit, two countries—Japan and Russia—have direct influence on the security situation in the Northeast Asian region. This is relevant to President Kim Yong-sam's order that was made early this year to strengthen military exchanges with neighboring countries.

In particular, this is the first time for an ROK defense minister to visit Japan. The upcoming visit to Japan has significance in that it will be an opportunity to carry out military exchanges that were restricted by past relations between the two countries. Currently, the only form of military exchange between the ROK and Japan is the exchange student program for one or two officers of each's military schools to study in the other's country.

In the past, through military agreement with the United States, the ROK and Japan have maintained peace in the Northeast Asian region. Even though the two countries recognized each other's military importance because they are close geographically, in reality, military exchange between the two countries was very limited.

It was learned that Japan has assumed a more active attitude in carrying out military exchange with the ROK. On several occasions in the past, Japan had promoted mutual visits of the ROK defense minister and Japan's director general of the defense agency. However, our government had not accepted it in consideration of the people's sentiment toward Japan.

While in Japan, Defense Minister Yi will discuss ways to enhance military exchanges with Japan. Concrete agreement is expected to be reached on enhancing exchanges in military education to the level of the National Defense College and to increasing the exchange of maritime training students aboard naval vessels.

The ROK and Japan have kept up consultations on preventing mid-air collisions of military planes. It is expected that with Defense Minister Yi's visit to Japan, the two countries will cooperate on the level of promising exchange in the form of a letter.

It seems that Defense Minister Yi's visit to Germany will be an opportunity to introduce advanced German military technology with a letter of intent. Until now, Germany has been passive in military technology cooperation due to North Korea. However, it has changed its attitude since 1992. It was learned that the Defense Ministry is especially interested in introducing German aviation technology.

In the final leg of his visit to three countries, Defense Minister Yi will visit Russia to revise the 1993 memorandum of understanding on military exchange which was concluded in late 1992 to the 1994 and 1995 memorandum of understanding. Its level will be somewhat enhanced also with the addition of clauses on the exchange of visits by high-ranking military officials, mutual inspection of military installations, and exchange of students.

Russia is expected to once again offer to repay its economic cooperation loan with weapons exports, but since the government has not come up with a policy on this matter, it seems that it will be difficult for Defense Minister Yi to reveal whether it will import weapons from Russia.

Through military exchanges with neighboring countries including Japan, China, and Russia, the Defense Ministry's strategy is to set up a plan for security on the Korean peninsula after reunification is achieved. Defense Minister Yi's upcoming overseas trip will be an opportunity to broaden the depth of understanding on the security situation with the defense ministry officials of these countries.

XINHUA Branch Director Arrives in Seoul

SK2204101194 Seoul YONHAP in English 0659 GMT 22 Apr 94

[Text] Seoul, April 22 (YONHAP)—The director of the Hong Kong branch of China's XINHUA News Agency, Zhou Nan, arrived here Friday afternoon at the invitation of the Foreign Ministry.

Zhou meets with Foreign Minister Han Sung-chu later in the day and will call on Prime Minister Yi Hoe-chang and Trade, Industry and Energy Minister Kim Chol-su during his six-day stay.

He will also visit Samsung Electronics Co. and Daewoo Motor Co. as well as Songkyunkwan, a center for Confucian studies, and Kyongju, in North Kyongsang Province.

PRC-DPRK Bilateral Trade Increase Reported

SK2204022594 Seoul YONHAP in English 0145 GMT 22 Apr 94

[Text] Seoul, April 22 (YONHAP)—Bilateral trade between China and North Korea reached 900 million dollars last year, a 50-percent increase over the previous year, indicating the latter's growing economic reliance on Beijing amid Pyongyang's increasing isolation due to its nuclear program, according to a report by the Chinese Embassy here.

The report, obtained by the Korea Chamber of Commerce and Industry Friday, showed that China exported 600 million dollars worth of goods to North Korea, up 11.3 percent from 1992, with crude oil accounting for 240 million dollars followed by grain (100 million dollars) and electric and electronic products (20 million dollars).

In particular, North Korea's grain imports recorded a 44.1-percent increase last year from 1992, showing the North suffered greatly from food shortages caused by cold weather.

The statistics also show that Pyongyang has switched to China from Russia for oil and ore imports since the collapse of the former Soviet Union.

Meanwhile, North Korea shipped 300 million dollars worth of products to China last year, a 91.2-percent rise compared with the previous year, the report said.

The total amount breaks down to 210 million dollars in steel, 20 million dollars in cement and 10 million dollars in sea products.

Prime Minister: Security Plans Need My Approval

SK2104113594 Seoul YONHAP in English 1126 GMT 21 Apr 94

[Text] Seoul, April 21 (YONHAP)—Prime minister Yi Hoe-chang instructed relevant government offices on Thursday [21 April] to obtain his approval of all unification-or national security-related policies referred to the Policy Coordination Council before they are put into practice.

"Since the Unification and National Security Policy Coordination Council is designed to review and adopt draft government policies, all policy matters referred to and decided by the council should now on be approved by the premier prior to their implementation," the premier said.

Kang Hyong-sok, the prime minister's spokesman, said Yi gave the instructions at his senior officials' meeting

earlier in the day while stressing that all government policies should be drafted and determined through cabinet debate.

The premier stressed that it was unthinkable that, for instance, the policy of allowing North Korean loggers' resettlement in South Korea was released to the press before it was adopted at the cabinet level.

"Prime Minister Yi asked his secretariat to caution relevant government offices in this connection," the spokesman said.

Prime Minister Yi also told his staff to see to it that any expansion of mountain roads should be made in a way that does not damage environment, the spokesman said.

Prime Minister Submits Resignation to President

SK2204082894 Seoul YONHAP in English 0825 GMT 22 Apr 94

[Text] Seoul, April 22 (YONHAP)—Prime minister Yi Hoe-chang has handed in his resignation to President Kim Yong-sam, the prime minister's press secretary said Friday.

Reason for Resignation Cited

SK2204090094 Seoul YONHAP in English 0848 GMT 22 Apr 94

[Text] Seoul, April 22 (YONHAP)—The press secretary said Prime Minister Yi submitted his resignation to President Kim at Chongwadae [presidential office] on Friday afternoon. "I have nothing further to say," he said.

A stir had developed in the officialdom on Thursday when Yi told his senior officials to see to it that all policy items referred to the Unification and National Security Policy Coordination Council be implemented with advance approval by the prime minister.

Yi said it was unreasonable that a policy decision on North Korean loggers, for instance, was released to the press even before it was formally adopted at the cabinet level.

Responds to Reporters' Questions

SK2204101594 Seoul YONHAP in English 1008 GMT 22 Apr 94

[Text] Seoul, April 22 (YONHAP)—Outgoing Prime Minister Yi Hoe-chang briefly met the press in front of his government office around 6:10 P.M. prior to his departure for his private home at Kuki-dong, Chongno-gu.

The questions and answers exchanged during the encounter were as follows:
Q. Was your resignation based on your own decision?
A. Of course.
Q. Did you decide to tender your resignation today?
A. That's right.
Q. How do you feel at the moment?
A. I feel alright.
Q. What do you plan to do in the days ahead?
A. I would like to take some rest in the first place. I'm much tired in my mind. I will later think about what I would do in the future.
Q. Haven't you anything to say?
A. I have none to say in particular. [sentence as received]
Q. Do you still think what you ordered the cabinet yesterday was right?
A. ... (with a smile, Yi refused to answer any further.)

Background of Resignation Noted

SK2204114994 Seoul YONHAP in English 1129 GMT 22 Apr 94

[Text] Seoul, April 22 (YONHAP)—President Kim Yong-sam wasted no time as it took him only about 20 minutes to appoint Deputy Premier Yi Yong-tok as Yi Hoe-chang's successor.

Unsurprisingly, both the prime minister's office and the National Unification Board were apparently stunned by the swift change and expressed concern over its repercussions.

—Returning to his office with slightly-reddened face from a 40-minute talks with the president, Yi told Government Administration Minister Hwang Yong-ha his intention to resign and asked him to take necessary steps.

He then called his chief secretary Yi Hung-chu and administrative coordinator Kim Si-hyong and praised them for their hard work.

"I'm sorry to have worked you too hard," he told them.

Officials at the prime minister's Secretariat found the announcement as a shock.

"Today was like every other day," one official said, "I can't believe he would be leaving so suddenly."

Premier-designate Yi Yong-tok said that when the president called him to inform the appointment around 4:40 p.m., he had no time to think twice because he first thought the president was trying to tell him to better help the prime minister.

Yi, a devout Christian, at first found no words to say when he met reporters. "I am afraid I have no sufficient wisdom and knowledge. But, I think it is god's dictate," he said.

"When President Kim told me to take the premier's post, I only understood what he really meant when the president started talking about National Assembly approval," he told reporters.

—Prime Minister Yi Hoe-chang reportedly explained about the statement he made on the Unification and Security Policy Coordination Council to chief presidential secretary Pak Kwan-yong Thursday night.

Yi had pointed out problems about the council from the legal point of view, a Chongwadae [presidential office]

official said, adding Yi must have explained the same thing to the president when he met him earlier in the day.

But President Kim must have not accepted Yi's explanation as diplomatic and security matters fall under the exclusive authority of the president and since the council was formed at the president's instruction after all, the official said.

He said that the Chongwadae secretariat with the duty of assisting the president, have to consult government offices regarding various policies, but Premier Yi kept ministers from making reports directly to Chongwadae, thus posing substantial problems to the business of Chongwadae secretaries.

Not a few ministers and other government officials had been reproached by premier Yi for going directly to Chongwadae in breach of his instructions, he said.

A senior government official said President Kim thought of reshuffling the premier from Thursday when Yi demanded his advance approval of unification- and security-related policies.

More on Reasons for Resignation

SK2204091594 Seoul YONHAP in English 0803 GMT 22 Apr 94

[Text] Seoul, April 22 (YONHAP)—Prime Minister Yi Hoe-chang has caused quite a political stir by announcing that he will increase his control over state affairs.

On Thursday, Yi unleashed a stream of reproof and instructions regarding the way state affairs are conducted—which analysts are calling "the wrath of Thursday"—prompting Chongwadae [presidential office] to re-examine the premier's role and status under the presidential system while pretending not to be astonished at the premier's ire.

Yi's instructions that all decisions made by the Unification and Security Policy Coordinating Council should be put into practice only after meeting his approval apparently led to the cancellation of a council session slated for Friday. The orders are considered by analysts as an expression of Yi's anger at his exclusion from the council.

It is not certain whether his expression of discontent with Chongwadae, the Agency for National Security Planning and certain cabinet ministers is intended to tighten his grip on the cabinet or is simply an overture for steps he will take in the future.

But many observers agree that the wrath of Thursday demonstrated Yi's unique and strong personality, saying his next course of action deserves keen attention.

Chongwadae believes that since state affairs must be conducted under the president's responsibility in the current presidential system of government, the cabinet should be united instead of making a great din.

But Chongwadae officials have avoided comment on Premier Yi's wrath of Thursday, seemingly because it is related to a sensitive issue that has caused ripples in political circles.

When Yi explains his wrath during his weekly meeting with President Kim Yong-sam Friday afternoon, the president will stress the need for cabinet unity, one of them observed.

"The Unification and Security Policy Coordinating Council is not an executive agency but an adviser to the president, and the premier is represented by his chief secretary in the council," said a ranking Chongwadae official. "I can't understand why he has made an issue of the council.

"The decision to drop the demand for an inter-Korean envoy exchange as a precondition to further U.S.-North Korean high-level talks was announced by the council, but the decision was made in the course of policy coordination by related agencies, not by the council."

Touching on the cancellation of the weekly council meeting usually held on Friday, he said, "the meeting was held on Thursday because of the need to coordinate policy before U.S. Assistant Secretary of State Robert Gallucci left the country. The cancellation of Friday's meeting has nothing to do with Premier Yi's instructions."

Chongwadae officials appear to view Premier Yi as a man who sticks too much to the spirit and principle of the law.

One official said, "he tries to tackle all problems according to the spirit of the law, seemingly because of his long bench career. I think he needs a flexible approach, such as a political approach to political problems."

Pointing to Yi's failure to report to President Kim on his recent instructions about discontinuing government subsidies to several civic organizations, he quipped: "He wants the cabinet to obtain his approval for everything, but he doesn't seek the president's approval for what ought to be approved by the president."

Premier Yi's attempt to expand his sphere of influence in the government and some cabinet ministers' discontent with Yi have been reported to President Kim, prompting the response: "Don't say such a thing."

Cabinet ministers consider Premier Yi's instructions regarding Unification and Policy Coordinating Council decisions as an expression of his intent to get a firm hold on the cabinet.

They are apparently nervous about the instructions' consequences because Premier Yi knocked the way a presidential council is run.

Some ministers have reportedly complained about Yi's demand that they go through him when making a report to the president. The economic planning, unification and defense ministers, who have things which must be

reported directly and quickly to the president, must be unhappy about Yi's meddling, officials said.

Yi has a weekly luncheon meeting with the two deputy premiers every Thursday, but he cancelled this week's session without giving any specific reasons, raising speculation on discord.

A ranking cabinet official said, "the president and the premier can be compared to the father and the mother of a family, and cabinet ministers may directly tell their problems to the president as children do to their father. The premier playing the mother's role should overlook father-child relations from time to time."

Officials from the prime minister's office, stressing Yi's instructions were made so he could get a good grip on the cabinet, are worried about their repercussions. They are particularly perplexed at press reports that Yi is feuding with presidential secretaries and officials of the Agency for National Security Planning.

The ruling Democratic Liberal Party generally regards Premier Yi's wrath as "an expression of his will to work as a man of conviction," but is unhappy about the way the press is handling the matter.

Secretary-general Mun Chong-su said, "it's quite natural that cabinet ministers report everything to the premier, and Premier Yi expressed his desire to work to the full of his convictions in the instructions in question, didn't he?"

He added, however, that it would have been better if Yi had held prior discussions with related ministers, suggesting disapproval of the way Yi deals with problems.

Spokesman Ha Sun-pong, asked if Yi's instructions were not an expression of his discontent with Chongwadae and the government's foreign affairs-security team, replied, "I don't think he is discontented and I think by giving instructions he wanted to remind everyone that he has an interest in diplomatic and security issues affecting national interests."

A close aide of Chairman Kim Chong-pil supported Yi, saying, "Premier Yi gave proper instructions. He has the right to give such instructions because the president and the premier are ultimately responsible for the conduct of state affairs."

The opposition Democratic Party fully supports Premier Yi's instructions.

Supreme Councilor Kim Won-ki, speaking for Chairman Yi Ki-taek while he tours the United States, said, "Premier Yi's instructions are quite right and lawful," noting the Constitution gives the premier considerable responsibility in conducting state affairs.

Spokesman Pak Chi-won said, "when he took office the people expected much of him as a man of conviction, but he has failed to meet such expectations because he has become a premier making an apology to the people." Yi's wrath "compels us to pin further hope on him."

Yi Yong-tok Designated New Premier

SK2204084294 Seoul YONHAP in English 0836 GMT 22 Apr 94

[Text] Seoul, April 22 (YONHAP)—President Kim Yong-sam accepted the resignation tendered by Prime Minister Yi Hoe-chang Friday and named Yi Yong-tok, deputy prime minister and National Unification minister, to succeed Yi Hoe-chang as new prime minister.

President Kim told his secretaries to submit to the National Assembly on Saturday a bill asking for parliamentary endorsement of his appointment of Yi Yong-tok as new prime minister.

Chongwadae [presidential office] spokesman Chu Tonsik said in an announcement soon after Yi Hoe-chang's weekly Chongwadae [meeting] reporting that "Prime Minister Yi tendered his resignation as prime minister at 5 p.m. and President Kim accepted it promptly."

President Kim met Prime Minister Yi at Chongwadae for about 40 minutes beginning 4 p.m., during which the president was learned to have reproached Yi in connection with his recent behavior.

A source said that Prime Minister Yi did not express his intent of resignation during his Chongwadae meeting with the president.

But, on return to his office in the integrated government building, Yi tendered his resignation through Government Administration Minister Hwang Yong-ha, the source said.

The acceptance by President Kim of Yi's resignation is taken as the revelation of the president's determination to firm up the discipline of the cabinet under the presidential system.

The president is expected to appoint a new deputy prime minister and national unification minister soon after the parliament endorsed the choice of Yi Yong-tok as new prime minister.

New Prime Minister Profiled

SK2204090694 Seoul YONHAP in English 0850 GMT 22 Apr 94

[Text] Seoul, April 22 (YONHAP)—Deputy Prime Minister and National Unification Board [NUB] Minister Yi Yong-tok, was named the new prime minister Friday.

Following is his profile:

He was president of Myongji University and chairman of the administration's Public Service Ethics Committee before becoming the deputy prime minister and NUB minister in the cabinet reshuffle December 21 last year.

Born in North Korea, Yi, 68, has also served as vice president of the Korea National Red Cross and chief delegate to the inter-Korean Red Cross talks. He earned a doctorate of philosophy in education from Ohio State University.

Yi Yong-tok Pledges Devotion

SK2204093994 Seoul YONHAP in English 0933 GMT 22 Apr 94

[Text] Seoul, April 22 (YONHAP)—Prime Minister-designate Yi Yong-tok pledged Friday that he would do his utmost to serve the country and people if his appointment is legally approved by the National Assembly.

"I will see to it that the entire government becomes one under the leadership of the president and devote myself to live up to the responsibility bestowed upon me," Yi told reporters at his office in the National Unification Board [NUB] after his appointment was announced.

The NUB minister said the unification is possible once the people unite and continue with reforms to build a free country.

"Picturing a unified country, I will do my best to ensure freedom and welfare of the 70 million people of the Korean peninsula," he said.

He added that press reports about the intra-government confusion over unification and security-related policy were wrong.

Parties Show Mixed Reactions

SK2204115494 Seoul YONHAP in English 1145 GMT 22 Apr 94

[Text] Seoul, April 22 (YONHAP)—Political parties showed mixed reactions on the resignation Friday of Prime Minister Yi Hoe- chang.

The ruling Democratic Liberal Party said it was inconsiderate of outgoing Prime Minister Yi to resign without wisely striding over a mountain of important state affairs.

"We regret it that Prime Minister Yi, whom we expected to wisely surmount many important state affairs, tendered resignation all of a sudden," party spokesman Ha Sun-pong said.

"We believe Prime Minister-designate Yi Yong-tok, with his high virtues and rich experiences, would wisely overcome today's difficulties to make the people feel easier."

The opposition Democratic Party said the party regrets Prime Minister Yi's resignation which it said was caused by "reckless checks" by those in power.

"The people expected much from Prime Minister Yi. But, he couldn't unfold his policy and had to step down due to reckless checks," party spokesman Pak Chi-won said.

"We fear if Yi Yong-tok's appointment as prime minister won't turn the administration more conservative," he said.

The United People's Party said the party was shocked at Prime Minister Yi Hoe-chang having resigned for the reason that he couldn't fulfill the duty given him under the Constitution.

Kim Chong-il Bodyguard Said Arrested in PRC

SK2104002494 Seoul YONHAP in English 0014 GMT 21 Apr 94

[Text] Seoul, April 21 (YONHAP)—A North Korean official in charge of bodyguards for "dear leader" Kim Chong-il was arrested in China by authorities there and deported after fleeing his country, it was reported Thursday.

Five statistics officials from Yanbian Korean autonomous prefecture in Jilin Province, northeastern China, confirmed the report. The ethnic Koreans are visiting Seoul to receive training.

According to the officials, the unidentified deputy chief bodyguard of Kim Chong-il, son and heir-apparent of President Kim Il-song, fled to Guangzhou in southern China via Thailand in late March.

Chinese authorities, at the request of North Korean officials, arrested the man while he was in hiding at a Guangzhou hotel. The man was then handcuffed and sent back to North Korea through the Chinese border city of Tumen near the Tumen River, and there is a strong possibility he has been executed, the officials said.

The ethnic Korean officials, however, said they could not determine his identity and did not know how the man had come to visit Thailand.

Papers React to Kim Il-song's Interview

SK2104144594

[Editorial Report] The following is a compilation of editorials and articles published in Seoul vernacular dailies on 21 April on the reportedly pacifying gesture by North Korean President Kim Il-song during his recent interview with William Taylor, vice president of the Center for Strategic and International Studies, CSIS, and other Western media, such as CNN, THE WASHINGTON TIMES, and Japanese NHK Television.

The conservative CHOSON ILBO carries on page 3 an 800-word editorial entitled "From the Sea of Fire to Fishing." The editorial begins: "Until recently, U.S. media was uproarious in reporting that a war would break out on the Korean peninsula at any time. Now, a person called vice president of the U.S. CSIS, who interviewed Kim Il-song, states that he can confirm Kim's pacifying attitude. Noting this rapidly fluctuating scene, we are led to believe that Kim Il-song's game with the South, the United States, and the media is working. Uproarious commotions occurred in Western media concerning 'war clouds on the Korean peninsula' in reaction to 'the sea of fire' remark. Several days later, when Kim Il-song said: 'I wish to visit the United States to fish and hunt,' a U.S. figure said there is no war danger. Kim is certainly toying with our side. As revealed in Kim Il-song's meeting with Western figures, he is informed on the nuclear issue, he is resolved not to ultimately abandon the nuclear program while continuing to deny possessing nuclear weapons, and he will keep trying to win a package solution using the nuclear

card." The editorial concludes: "We should solidify our security posture and maintain a firm ROK-U.S. cooperative alliance, rather than readily reacting to the North's game, which does not display any honesty. We should not hastily be tempted to meetings or talks with the North."

The conservative CHOSON ILBO carries on page 5 a 1,300-word article by reporter An Hui-chang entitled: "Kim Il-song's Pacifying Scheme—Well-Planned Propaganda Offensive Aimed at Deranging the South." The article notes that "The 'smile operation' that North Korean President Kim Il-song himself is undertaking must have been well-planned." The article then notes: "For the show, North Korea displayed a 'dovish gesture' to the world through an actor called Kim Il-song. The show is also aimed at deranging the South. North Korea had to stage a show like this because it is thoroughly isolated from the world opinion owing to its incomplete compliance with the ad hoc inspection by the International Atomic Energy Agency, IAEA. Furthermore, the recently reported issue of North Korean loggers and escapees from the North brought to light the North Korean human rights issue, a disgrace to North Korea." The article concludes: "The true North Korean intent behind the pacifying show by Kim Il-song will be revealed in the near future."

CHOSON ILBO carries on page 5 a 1,000-word article by Kim Chol entitled: "The ROK and the United States Taken by Surprise." The article notes that "Using a Western broadcast covering the news connected with the tension on the Korean peninsula and his 82d birthday, North Korean President Kim Il-song took the United States and the ROK by surprise. Kim tried to replace his image of a hooligan with an image of a neighborly grandfather, a good citizen one can meet anywhere, and a friendly figure for the American people." The article notes that Kim Il-song's pacifying gesture is likely to confuse ROK's North Korean policy and inspire the reunification advocates who are not aware of the true nature of the North Korean rulers. The article then notes North Korea has succeeded in enhancing its position, as was expected, in using the nuclear card in view of the present stage of development. The article notes: "Kim Il-song's nuclear strategy consists of two stages. One is to improve relations with the United States by using the nuclear issue as a weapon for the North Korean system, which is left as a solitary island in the post-cold war era." The article continues: "The second stage of Kim Il-song's strategy is to force the U.S. Forces out of the ROK, ultimately through the improvement of relations with the United States."

The moderate TONG-A ILBO carries on page 3 an article by Pak Che-kyun entitled: "Kim Il-song's Remarks on His Readiness To Abolish the Radiochemical Laboratory." The article notes Kim Il-song's remarks in a written interview with Western media that he is prepared to abolish the radiochemical laboratory, provided that the United States assists North Korea to install light-water reactors. The article notes the complexity involved in assisting North Korea to install light-water reactors because it would mean the United States has to spend $1 to 2 billion per reactor, not to mention the 10 years required for the construction of the reactor. The article notes: "U.S. assistance to North Korea for the light-water reactor means the improvement of relations between the United States and North Korea, which will probably lead to the establishment of diplomatic relations between the two countries." The editorial concludes: "It is not likely that the ROK and the United States will accede to President Kim's proposal at this stage, which President Kim will no doubt be aware of. Therefore, while unwilling at heart to abolish the radiochemical laboratory, he is urging the United States to improve its relations with North Korea, using the light-water reactor card, stressing that North Korea has no intention of developing nuclear weapons, according to an analysis of relevant government officials."

The moderate KYONGHYANG SINMUN carries on page 3 a 900-word article by Kim Pong-son entitled: "The Government's View on Kim Il-song's Remark Hinting of Abolishing the Radiochemical Laboratory."

Reporting that the ROK Government reaction was mixed on his remark, the article notes those who have an upbeat view hold that "such a remark is an indirect expression of change in its previous stance that 'North Korean-U.S. talks are a prerequisite for additional inspections,'" whereas those with a negative view maintain "his remark clearly shows that North Korea intends to earn more time by adding conditions regarding light-water reactors."

The moderate CHUNGANG ILBO carries on page 3 a 700-word article by Kim Yong-ha. Noting the huge differences in their capacity to extract plutonium from light-water reactors and graphite reactors, the article notes "if North Korea's intention to install light-water reactors is true, it can be interpreted as an intention to suspend its nuclear development."

The article concludes: "The clearest sign that can be seen from President Kim Il-song's remark is that 'North Korea's nuclear card' is becoming ineffective. Hence North Korea's gesture implies that North Korea, being driven into a corner, seeks an exit that serves its interests."

The moderate HANGUK ILBO carries on page 5 an 800-word article by Washington-based correspondent Yi Sang-sok entitled: "Kim Il-song's Pacifying Remarks."

Enumerating on North Korea leadership's moderate tone, the article writes: "With this pacifying attitude, North Korea aims to earn the time necessary for nuclear development, to disintegrate the ROK-U.S. cooperative system, and to deepen the confrontation between ROK hardliners and moderates." The article continues that Kim Il-song "in effect asked the world to take him at his word that he had no nuclear ambitions, giving no hint of welcoming IAEA inspections."

Noting that the North Korean nuclear issue is back to the point it had started, the article analyzes "in view of this, there is a dominant feeling around U.S. political circles that the United States should not be entangled in President Kim Il-song's pacifying attitude and that it should firmly push ahead with its previous scenario of imposing pressure if North Korea fails to meet the early-May deadline."

The pro-government SEOUL SINMUN carries on page 3 an 800-word editorial entitled: "We Should Not Get Dazzled by a Peace Offensive."

Referring to U.S. and Japanese media welcoming Kim Il-song's remarks for their moderate tone, the editorial questions: "How can we believe that he is telling the truth? What we need now is his remark that North Korea will unconditionally accept overall inspections and carrying it into practice. To one's great regret, he has not uttered a word on this even though he has made countless flowery remarks."

Denouncing North Korea's invariable communist-type disguised tactics, the editorial holds that "regardless of such a peace offensive, the deployment of Patriot missiles and the Team Spirit exercise should not be suspended. The UN Security Council should adopt sanctions against North Korea unless it accepts IAEA inspections. What is more, we should show more positive interest in the human rights condition in North Korea to make North Korea acknowledge the necessity of accepting nuclear inspections and holding inter-Korean talks."

Recalling the recent student demonstrations opposing the deployment of Patriots, the editorial warns that "the people and public sentiment should not be deceived by North Korea's peace offensive." The article concludes that "in this perspective, the members of the National Federation of General Student Councils should remember that they are playing into North Korea's hands."

Reporter Punished for Protection Law Violation

SK2204101294 Seoul YONHAP in English 0808 GMT 22 Apr 94

[Text] Seoul, April 22 (YONHAP)—The Seoul high court on Friday handed down two years in jail with a three-year stay of execution to Shinohara Masato, the Seoul correspondent of Japan's Fuji Television convicted of violating the military secret protection law.

Shinohara, 41, was sentenced earlier to a two-year prison term in a lower court and appealed his case to the high court.

In his decision, Judge Min Su-myong said, "the defendant rightly deserves the punishment as he violated this country's military secret protection law when he spied to obtain military secrets for three years and gave them to military attaches at the Japanese Embassy in Seoul."

The court believes, however, that he was interested in military secrets more as a journalist and analyst for his articles than as a spy, the judge said.

Moreover, this incident does not appear to have had a decisive adverse effect on the country's security, the judge said. Besides, he noted that Shinohara confessed before authorities began questioning him.

Considering all the extenuating circumstances, the judge said he decided to give Shinohara a lenient sentence.

Shinohara was indicted last July on charges of receiving 27 military secrets from former Major Ko Yong-chol, who was working in the intelligence headquarters of the Defense Ministry, turning them over to Japanese military attaches on a regular basis between 1989 and 1990.

Greenpeace Stages Antinuclear Rally in Seoul

SK2204055494 Seoul YONHAP in English 0535 GMT 22 Apr 94

[Text] Seoul, April 22 (YONHAP)—International antinuclear and Korean environmental groups were of one voice Friday in opposing South Korea's nuclear power development and demanding information on the issue from the government.

"We are seriously concerned about nuclear (reactor) proliferation in South Korea," said Tom Clements, Greenpeace International's plutonium campaign manager based in Washington, D.C., and chief of the Greenpeace team touring Korea since April 12.

"We feel that coming from Western countries, we can share our experience and knowledge about nuclear development and wastes with the Korean people," he told a press conference at the Korea Federation of Environment Movement (KFEM) headquarters in Seoul together with five other Greenpeace representatives and Korean environmental activists.

Prof. Yi Pil-ryol, representing 222 petitioners from various walks of life, questioned Seoul's support for the atomic energy industry, which he said is being abandoned worldwide due to its hazardous nature.

Shaun Burnie, a nuclear campaign coordinator based in Amsterdam, said he has learned of defects in the steam generators made by Westinghouse of the United States that have been causing troubles throughout the world.

Clements said in the United States, Westinghouse was being sued by 15 utilities for making faulty generators.

The campaigners, who have been touring proposed reactor sites and power stations in the Southern part of the country, arrived in Inchon aboard their flagship MV Greenpeace Thursday and moved on to the capital for three days of debate, protests and other activities.

They hope to meet government officials, including the prime minister, for Earth Day falling on Friday.

Formation of Financial Conglomerates Assessed

SK2204052894 Seoul THE KOREA TIMES in English 22 Apr 94 p s-1

[By staff reporter Yi Chang-sop from the "Special Report" supplement: "Caution Prevails on Creation of Financial Conglomerates"]

[Text] No Korean bank is ranked among top 160 banks in the world. Even a combination of the 13 commercial banks will make it smaller than the world's 23rd largest bank. Only 16 banks are listed on the Banker's Top 500 in July last year. The average capital of the five major Seoul-based banks is just a tenth of that of their Japanese counterparts. Even worse, profitability of Korean banks is quite low by international standards. A Korean bank employee generated a before-tax income of 9.7 million won in 1991, compared with 51.2 million won for his counterpart in Japan and 97.8 million won for an employee of the 52 foreign banks in Korea.

This dismal picture made it inevitable for Korean banks to sharpen international competitive edge and a way of bolstering their global competitiveness is to increase their size or to become financial conglomerates. [sentence as published] An economy of scale or managerial efficiency will arise if banks, securities companies and insurance houses are merged to become financial conglomerates. But caution prevails over a hasty and arbitrary creation of financial conglomerates, many analysts said.

Professor Yi Pil-sang and other critics contend that the government is plotting a scheme to control the financial market through the creation of big players. They said they agree in principle with the government's move to establish a few mega financial institutions which will deal in banking, securities and insurance services. They said financial conglomerates, if established, will sharpen international competitive edge of the Korean financial industry. As Korea recruited and intensively trained "elite sportsmen" to win gold medals in the Olympics, so Seoul now needs to foster a few "representative financial institutions" which can compete with Citibank, Bank of America and Japanese and European mega banks domestically and globally. But they warned that no people or businesses, except for industrial groups such as Samsung and Hyundai, have enough money to become financial conglomerates.

About 300-500 billion won is necessary to take over a bank. Except for the government and industrial conglomerates, no one and or firm has such a huge amount of cash, many analysts said.

Government officials said that the government will strictly separate industrial conglomerates from muscling into financial groups. But critics say even if the government legally bans the participation of Samsung, Hyundai and other industrial groups, they may provide money through tricky arrangements to their "henchman" to establish financial conglomerates. Ultimately, financial conglomerates will become a "private safe" for industrial giants, they warned.

Furthermore, there is skepticism whether prospective financiers, if any, are ready to take over the commercial banks, which are saddled with a huge amount of nonperforming loans.

Textbook theory alleges that the synergy effect will arise when financial conglomerates handling banking, securities and insurance emerge. But there is no proven evidence that the synergy effect has emerged. Many local banks have used their securities, insurance and other financial subsidiaries as "channels" for digesting layers of "good old boys." It is no coincidence that financial institutions of which parents are banks have been performing more poorly than those with no affiliation with banks.

Another hindrance to the emergence of financial conglomerates is the rule that no one can control more than 8 percent of any Seoul- based commercial bank. This rule has made local bankers drift without real owners and left room for government intervention in their internal management although it committed itself not to meddle in their internal affairs.

Pak Chae-yon, senior secretary for economic affairs to President Kim Yong-sam indicated that the government would loosen the maximum share-holding limit to foster the financial conglomerates.

Risks on financial conglomerates are widespread. Trouble in a subsidiary will have a chain effect on the rest of the sister companies in financial conglomerates. Collusion may exist among these subsidiaries for regulating competition, forming a cartel on pricing and other unfair deals. They many exchange customer information, which may create a conflict of interest.

Before the emergence of financial conglomerates, Korea needs to revamp the current regulatory system in which the three supervisory bodies do not have a coordinating function. Mindful of such negative effects, Finance Minister Hong Chae-hyong said the issue of fostering financial conglomerates is a long-term subject. The Ministry of Finance said at the current stage, the government has no official position on the issue although it has embarked on a full- scale study. Professor Yi of Korea University said that the government should first deregulate its internal control on financial institutions, help banks eliminate the huge amount of nonperforming loans before the idea of fostering financial conglomerates is considered. He and many critics said financial conglomerates should emerge naturally, not artificially by the government. Any artificial measure will invite a special favor legitimacy controversy of their birth as many industrial conglomerates have been constantly facing, they said.

Daehan Kyoyuk Insurance announced that it would seek to become a financial conglomerate by taking over a bank and a merchant bank soon. It has taken over a

securities subsidiary from the ailing Bank of Seoul. The other candidates frequently mentioned as candidates for financial conglomerates include Shinhan Bank, Coryo Securities Daishin Securities, Korea Life Insurance and Tongyang Securities.

Major Banks' Ownership Structure (Unit: %, as of the end of 1992)

	Cho Hung	CBK	Korea First	BOS	Shinhan	KorAm	Hanil
Government	-	0.11	-	-	-	-	-
Gov't-Invested Cos.	-	-	0.03	-	-	-	-
Banks	1.16	78.37	3.29	5.04	6.17	7.79	8.61
Securities	0.24	0.07	0.04	6.05	17.18	10.69	4.91
Insurance Firms	2.75	2.45	3.21	11.47	3.20	2.20	6.52
Investment-Trust Co.	4.57	8.50	3.92	4.73	3.40	5.73	1.91
Short-term	-	-	0.08	0.44	-	0.07	0.74
Finance Cos. Merchant Banks	-	-	-	0.13	-	0.09	-
Mutual Saving firms	-	-	0.01	0.15	-	-	0.05
Other Incorporate Co.	5.72	5.55	6.83	20.19	21.98	5.89	58.89
Individuals	85.16	4.74	81.54	49.86	47.45	70.83	19.15
Foreigners	0.40	0.21	1.08	1.91	0.62	3.33	0.01
Total	100	100	100	100	100	100	100

Minister Warns Against Private Military Groups

SK2204101094 Seoul YONHAP in English 0647 GMT 22 Apr 94

[Text] Seoul, April 22 (YONHAP)—Defense Minister Yi Pyong-tae declared Friday that the government would never allow the formation of a private grouping within the military.

The declaration was contained in Yi's ministerial command letter No. 3 to commanders and staff officers of brigades and above. The missive was entitled "Solidarity and Harmony for Stability of the Armed Forces."

The regular personnel reshuffle carried out earlier this month involving top Army posts has rooted out "the problems related to private organizations," the defense minister said.

Yi was referring to the April 16 shake-up in which eight Army generals who belonged to "Hana-hoe," a private organization, were forced to retire.

Hana-hoe, formed by former President Cho Tu-hwan and his group of Army officers, was instrumental in catapulting Cho into power by helping to stage "a coup d'etat-like" action on Dec. 12, 1979, following the assassination of President Park Chung-he.

A kind of old-boy network, Hana-hoe reportedly wielded great power within the military and meddled in the nation's politics under the administrations of former Army generals.

But Kim Yong-sam, who was inaugurated as the country's first civilian president in February last year, has systematically purged politically minded members of Hana-hoe and other private organizations in the military.

In his letter, Yi said, "if anyone was found to have formed or attempted to form a private organization, he would immediately be picked out and expelled from the Armed Forces.

"This basic principle will be applied to all forms of private organizations," he added.

All commanders, therefore, should carry out their duties lest any private organization hamper the solidarity or reduce the combat capabilities of the Armed Forces.

Officers should make no further attempts to create a private group. Even the term "private organization" should not be mentioned in the military, Yi emphasized.

He said all officers, including those who once belonged to private groups, should employ their abilities fully to serve the country and their fellow Koreans.

Noting that talk about creating a private organization always stems from unfair promotion practices, Yi said promotions must be based on an officer's ability as seen from three viewpoints—those of commanders, fellow officers and subordinates.

Kim Yong-sam Urges Effective Rural Programs

SK1904133994 Seoul YONHAP in English 1027 GMT 19 Apr 94

[Text] Seoul, April 19 (YONHAP)—President Kim Yong-sam said on Tuesday the country should launch sweeping rural development programs upon the inauguration of the World Trade Organization (WTO) next year.

"We should depart from the old-fashioned view of agriculture being a declining primary industry," he said. "We should instead establish a new future-oriented perception that agriculture is a developing secondary or tertiary food industry."

While talking with the members of the Rural Development Committee, a presidential advisory organ, at Chongwadae [presidential office], the president said it is especially important to improve educational, medical, cooperative and marketing systems in the rural areas.

The Rural Development Committee reported to the president a set of programs being planned to improve rural conditions.

Also on Tuesday, President Kim met nine American promoters of a Korean war memorial program. The visitors included William Livesey, one-time commander of the U.S. Forces in Korea. The visitors said they were promoting the construction of a large Korean- and Vietnam- war memorial education center in Pennsylvania.

"I hope the projected education center will become a significant space helpful to enhancing friendship between the peoples of Korea and the United States," President Kim said.

Brunei, Malaysia & Singapore

Malaysia

Disappointed Mahathir Urges Ghali To Resign

BK2204095094 Kuala Lumpur BERNAMA in English 0810 GMT 22 Apr 94

[Text] Petaling Jaya, April 22 (OANA/BERNAMA)—Malaysia Friday called on United Nations Secretary-General Butrus Butrus-Ghali to resign for doing nothing to resolve the conflict in Bosnia-Herzegovina.

Prime Minister Dr. Mahathir Mohamed said he was disappointed because Butrus-Ghali did not take a firm stand in dealing with the Serb aggression in that strife-torn country.

The UN should elect a secretary-general who is really an activist and brave, who could resolve the problems in Bosnia-Herzegovina, he told reporters in Subang, here.

Mahathir said he believed the resignation of Butrus-Ghali would bring change towards settlement of the problem in the former Yugoslav republic.

What is certain is he did not do anything to settle the conflict in Bosnia, he added.

Dr. Mahathir expressed regret that Butrus-Ghali took the conflict in Bosnia lightly when it erupted more than two years ago.

At first, Butrus-Ghali said the occurrence in Bosnia could be found anywhere... He said it was not the only one but there were 10 more in other places, he said.

Butrus-Ghali's statement appeared to encourage the Serbs to continue their aggression against the Bosnian Muslims on the grounds that it was not something extraordinary as the same thing was happening elsewhere.

Asked if Malaysia would play a more important role in the election of the UN secretary-general in future, Dr. Mahathir said Malaysia's influence was limited in that matter.

In fact, he said, many countries were pressured by the big powers to elect their candidate to the post.

Malaysia did not support Butrus-Ghali's election to the post in 1991, he added.

Dr. Mahathir reiterated that the Bosnian Muslims should be provided with arms to defend themselves from Serb attacks.

He believed the situation in Bosnia-Herzegovina would be different if the reverse occurred where the people who are murdered are non-Muslims and the murderers were Muslims.

If this is the situation, I believe action will be taken speedily, he said.

Meanwhile Gerakan, a component party of the ruling National Front, expressed support for the call for Butrus-Ghali's resignation. He was biased and racialist in making important decisions, party president Dr. Lim Keng Yaik said.

Dr. Lim, who is Minister of Primary Industries, said the UN was influenced by big powers like the United States and European countries and it was uninterested in settling problems in a country that did not share the same religious belief or in which they had no special interest.

Singapore

Prime Minister Goh Reviews European Trip

BK2104155694 Singapore Singapore Broadcasting Corporation in English 1100 GMT 21 Apr 94

[Text] Prime Minister Goh Chok Tong says his visits to Europe should be seen as a tying up of two ends of a ribbon. At one end are the prospects in the Asian economies and at the other end are prospective investors in Western Europe and elsewhere. Summing up his visits to Germany and Britain, Mr. Goh said Singapore wants to act as an intermediary to tie the knot. This is part of Singapore's overall strategy of going regional. The Singapore delegation's spokesman said Mr. Goh's trip to Germany had brought bilateral relations to a higher level. This is because of new steps being taken such as the formation of the Singapore-German Business Forum, the GSBF.

On Britain, the spokesman said the level of Singapore's relations with the country has been high. British leaders shared Mr. Goh's concern on the need to build on this relationship. One concrete way to assert the strengthened ties is through the setting up of the Singapore-British Business Council to be ready in about one to two months' time.

Mr. Goh returned home this evening after his official visits to Germany and Britain.

Editorial Supports Besieged Bosnian Muslims

BK2104021494 Singapore THE STRAITS TIMES in English 20 Apr 94 p 26

[Editorial: "Bosnia: Lend Muslims a Hand"]

[Text] The West has not only made a mess of the situation in Bosnia, but also a mockery of its pledge to protect the Muslim enclaves besieged by the Bosnian Serb forces. Why did the North Atlantic Treaty Organisation, of which the United States is a leading member, agree to use air power against the Serb advance on Gorazde when it had no intention to do more than engage sparingly in pinprick strikes? The military buildup by the Serb forces last month showed that a major offensive was in the offing. True, air strikes can not be expected to prevent the Serbs from seizing Gorazde or any of the other Muslim enclaves. But this

misses the point, which is that no serious attempt was made to deter the Serbs or punish them if deterrence failed.

When the Serb forces moved into Gorazde on Saturday, all that was done was to order two fighters to attack tanks aiming their guns at that town. It should have been clear when the first air strikes were carried out 10 days ago that such limited attacks would not stop the Serbs. That action should have been spelled out to the Serbs as a warning of fiercer strikes to come if they did not halt their aggression. It is possible that fear of retaliation would have deterred them if a credible threat had been made. In any case, the Serb forces should not have escaped punishment. They lost only a couple of tanks and a few armoured personnel carriers when the objective should have been to target their ammunition and fuel storage sites as well as other facilities that would erode their fighting capacity. NATO also failed to retaliate when one of its aircraft was shot down by a Serb missile. It caved in by calling off any further air strikes.

The fall of Gorazde will embolden the Serbs to proceed according to their plan of consolidating their territorial conquests with the declared aim of carving out a Greater Serbia. Having secured a major road link and a swathe of territory connecting their possessions in eastern and southern Bosnia, their next likely target is the large Muslim enclave of Tuzla, which is one of the six safe havens designated by the United Nations. Like Gorazde, it is inhabited mainly by refugees. Already under siege, its capture would enable the Serbs to tighten their grip over the northeastern region. They can also be expected now to reactivate their pressure on Sarajevo.

With the Serb forces moving closer to achieving their goal of Greater Serbia, there can hardly be any prospect of a peace settlement since that would require them to make territorial concessions. Economic sanctions imposed on Serbia have hurt that country, but with its ambition of becoming the centre of an expanded Serbia, it will be able to cope with the hardships, as seen over the past two years. Reportedly, under the recent accord for a loose union between the Muslims and Croats, the Serbs would have to concede at least 21 percent of the land they control. That much is regarded by the Muslims and Croats to be the bare minimum. Otherwise, they would not have enough territory to accommodate each other's ethnic interests in a new union.

The Western fiasco over Gorazde must have made it clear to the Muslims and Croats that they would have to make a concerted military effort to wrest those areas from the Serbs. Moves towards a merger of their forces are underway. The West can help that process by acting to lift the arms embargo that has greatly disadvantaged them. The embargo was imposed on the former Yugoslavia in 1991 before the conflict in Bosnia erupted. Once the Muslims acquire heavy equipment, the Serb forces will begin to lose the military superiority they enjoy. Unless the ground situation begins to change, the Serbs will not engage in any serious peace process nor will NATO air strikes make much difference if they are resumed at all. The right of self-defence, at any rate, is one of the fundamental principles enshrined in the UN Charter. The West cannot continue to deny it to the Bosnian Muslims.

Minister Discusses Leadership Succession

BK2104130594 Singapore BUSINESS TIMES in English 20 Apr 94 p 17

[Interview with B.J. Habibie, Indonesian state minister for research and technology, by BUSINESS TIMES correspondent Yang Razali Kassim in Jakarta;—date not given]

[Text] **BT [BUSINESS TIMES]: Your close relationship with President Suharto is no secret. Has he ever discussed with you privately the future of the Indonesian leadership and the question of succession?**

DR HABIBIE: No. Because President Suharto has always said that he doesn't want to groom a putra mahkota (crown prince). He knows exactly the mechanism and the rules of the game of Pancasila democracy.

He always says it is the privilege of the People's Consultative Assembly (MPR) to first decide and discuss, to express the vision of the nation and, based on that, elect one of the people of the Republic of Indonesia who can meet the requirements to be given the mandate to implement the vision of the nation.

Q: There is a view that it is critical for Indonesia, during this transition, to settle the question of succession. Pak Harto [Mr. Suharto], having served very long and having done what is perceived as a good job, needs to have clear successor to sustain the good work.

A: You are right that Pak Harto is very, very credible, based on the fact that he has been always at the forefront for the last 27 years—32 years, if he finishes his present term as President and Mandatory. Based on his performance, theoretically and practically, he is the most credible man. In the interest of the nation, we have to listen to his opinion because he is a national as well as an international leader.

Now, because of that, if you ask me who will decide the successor to Mr Suharto, the answer is clear: the elected representatives of the people of the Republic of Indonesia who sit in the People's Consultative Assembly in 1998. They have to do the job.

Q: In the event that Pak Harto decides to retire halfway through his term, what do you think will happen to the presidency?

A: Knowing Pak Harto, and having assisted him the last 20 years, knowing his performance and his character, and his leadership, I know he will never stop something before his term ends. Never.

Pak Harto is a pejuang, a fighter. He has said: "I'm born and I grow up as a fighter. My mentality is this: as long as the people, my beloved people of the Republic of Indonesia ask me to do a job, in what condition ever I

will be, I will accept the instruction and the will of the people to implement the job, in whatever condition." So that's why there is no reason for him to stop halfway, unless it is the will of Allah.

Q: And what if Allah wills that the President stop during his term?

A: Then, according to the Undang-Undang Dasar (Constitution), the Vice-President will take over. I'm sure the whole Cabinet and the whole armed forces and all the political parties will take care that this nation will keep its unity and keep the nation going, until the election comes.

Q: There is an impression that you are being prepared to be a future president. What is your reaction to this?

A: The first question is: prepared by whom?

Q: By President Suharto?/

A: No, Pak Harto is one vote. You should understand the mechanism of our democracy. I give that comment not as a politician but as a man who has survived among the politicians and because I am trying to understand the truth about politics. I have become a philosopher (laughter), because I am older now.

Q: Are you ready to be the next Mandatory (President)?

A: Me? That question may be put equally to anybody. Are you ready? Anybody must be ready. But the question is: what will be the result of the musyawarah mufakat (consultation and consensus) of the People's Consultative Assembly then? Because they are the only ones who have been elected by the people to talk, to elect on behalf of the people, a man to become the Mandatory of this nation. I don't know. But this question is for anybody in the Republic.

Q: Whose advice do you listen to most?

A: I receive much advice but I have to decide for myself. I was already warned by Mr Suharto in 1974. He told me: "You should be aware that one day you will know so many people, but you are alone." He warned me: "You have to watch." At that time, I did not understand.

I believe that if you are the leader of a nation, you must be the leader also of those people who don't like you. If you are a leader only for the people who like you, then you are only a leader among friends. Now I understand Suharto.

Before the election for the Vice-Presidency in 1993, I was interviewed by TEMPO magazine. I told TEMPO that my master was Professor Suharto. Because I learned from him. After that I met President Suharto and said: "I apologise for calling you my professor, my teacher, my guru."

Pak Harto told me: "I am not your guru. I, Suharto, am the helper of your guru. Your guru is your own mind." Then he told me: "According to Javanese philosophy, knowing you because I have been watching you, your bathin (spirit) is very strong." I think not. But he told me so. **Q: If you were given the chance to be President, would you continue the economic reform policies that have made Indonesia successful in turning around the once-battered economy to become what it is now?**

A: The answer is that anybody who will be elected later to become the successor has to continue the policy of national development growth. Anybody. The elected representatives of the People's Assembly will take care—must take care—that the national development growth is sustained. It's the only way to bring the nation to the same level as the advanced economies.

Q: So if it were you, you would continue the economic reforms?

A: Not (just) me, I say anybody. I don't want to be the reference point. Anybody must do that. And the whole system in Indonesia is built around it.

Q: Why do we continue to hear domestic criticism of the aerospace industry and of your approach to economic development, or what is called "Habibienomics"?

A: Such criticism comes from people who have mixed feelings and political interests. I give you an example. Our CN235 [aircraft] hit a mountain two years ago. At that time, there was a lot of speculation that I was to be the next vice-president. As it happened, it went on for almost three months—people were criticising me daily. Daily. Saying bad things and so on.

But later, when the black box came out, everything proved that I was right. I told them that it was human error. There was even an article from a lady, a professor in Bandung, who wrote an analysis that Habibie was a man against human rights, the rights of women. Terrible. All so emotional. Everybody.

And now, what happened? Look at the Superpuma [helicopter] accident in Malaysia. Look, at the reactions of the Malaysian Defence Minister, the air force commander, the prime minister and the mass media—all very fair. They did not criticise as the Indonesians did. You know why? Because the Malaysians were more objective and were not politically involved.

All those reactions here (in Indonesia) were politically engineered to portray the bad idea that maybe Habibie was ambitious and wanted to become vice-president and so on. There were a lot of people who don't like that scenario.

Q: Political engineering?

A: I think so. In this case, political engineering—making use of the fact that our society is heterogeneous. By the way, the majority of the people in the Republic of Indonesia, 99 per cent, are really not involved in political engineering for self (-serving) purposes. Why do I say so? Because daily, I get a lot of compliments from people.

Q: What does President Suharto say about these criticisms against you?

hat he told me? He told me: "Don't listen listen to crazy people and you get crazy, istake." You can quote this. "You just do t is the best for your people, for your ou can face God because you have done f your ability." That's the advice from rto.

abibienomics"?

Habibienomics, there's no Wijoyonomics Wijoyo Nitisastro, who played a major donesian pro-market economic policy). such a thing as Habibienomics, it is as Wijoyonomics.

ears, we were not in a position yet to take esource development. So, what I'm doing sible because my colleague, Pak Wijoyo, s job of laying the basis for economic on't forget that Pak Wijoyo was active in he first three five-year plans—Repelita 1, ? And Habibie has been active in the e second Repelita till now—2, 3, 4, 5, 6.

whatever he has done. I was a part of the ady doing it. There's only one difference: naybe 12 years, younger. So nobody can as done nothing in the 25 years." I was sponsible for what has been done.

was then 37. So now, at 57, I have the ur Repelitas. So, it is wrong to say that cluded, not involved in the decision- ast 25 years. It's not true that only Prof olved.

Habibienomics made an issue by your

ineering—to create political issues; sen- sinformation, distortion of information, see no problem. If there is a "nomics", y it's a Suhartonomics, or "Mandatory- se he is the one who started it—from w, Repelita 6. What I'm doing today is a ution of national development of Indo-

de Indonesia, including in Singapore, you are a nationalist and therefore more t supportive of economic reforms?

find that not only in Singapore, but here o (laughter). Because they want me to ing so that everybody can sell and kill nufacture. I said no.

ews Civil Unrest in Indonesia

Singapore BUSINESS TIMES in 94 p 16

otests used to be rare in Indonesia under rto. Jobs were in great demand and them worked uncomplainingly. Labour but they were never instruments of agitation unlike in the old days of the Indonesian Communist Party (PKI). Industrial peace helped the government attract foreign investments, which in turn created economic growth and generated more jobs. The net effect was that workers in Indonesia gained from greater prosperity, which has been a hallmark of Mr. Suharto's rule, especially in the last 10 years. But prosperity leads to rising expectations and the mood of Indonesian labour has changed in recent years. Workers are increasingly aware of their rights. They demand better wages and are now less inhibited about agitating for better working conditions. Interestingly, the rising militancy of Indonesian workers coincides with a new United States policy this year to advance the cause of workers worldwide by insisting on minimum working conditions. Against Indonesia, the U.S. has threatened to suspend concessions under the Generalised System of Preferences (GSP) unless Jakarta improves working conditions for its 80-million workforce. As if in response to such pressure, the Indonesian Government announced that from Jan. 1 this year the legal minimum daily wage would be raised from 3,000 rupiah to 3,800 rupiah for Jakarta and its outskirts.

Demanding better working conditions is legitimate for workers anywhere. But it becomes a problem when the demands are out of step with reality or are externally inspired with little regard for domestic conditions.

Worse, it becomes tragic when frustrations arising from unfulfilled expectations turn political. Sadly, this appears to have been the case in Medan. Medan workers, at the prodding of the independent union, the SBSI [Serikat Buruh Setiakawan Indonesia or Indonesian Solidarity Trade Union], agitated for minimum daily wages to be raised by 100 percent from 3,100 rupiah to 7,000 rupiah—twice the minimum daily wage in Jakarta. When the demand could not be met, the workers went on a rampage and turned it into an anti-Chinese riot. In Indonesia, it is easy to turn mob aggression into a protest with ethnic overtones. The authorities deserve credit for acting swiftly to contain the situation.

Indonesia does not need troubles like this. Riots and protests drive businesses and investors away—and this Jakarta simply cannot afford. Two million new workers join the labour force each year. For them to find jobs, entrepreneurs and businesses must feel comfortable about sinking their capital into Indonesian soil. It will be foolish to expect them to do so if the country lacks a sense of stability and security. And if they don't invest, there will be no economic growth and no job creation. As the Indonesian authorities act to stabilise the situation, it is crucial that the Medan incident be seen in perspective. Investors should feel assured that the protest was more a single incident of labour unrest, not a racial riot. Indonesian workers ought to realise that mindless rioting is not the way to solve their problems. In fact, it only makes things worse. Last but not least, the U.S. needs to see the danger of blindly imposing its labour standards on others. The Medan riot has shown just how explosive this can be.

Cambodia

Boeng Trakuon Base Said Liberated 21 Apr

BK2204024294 (Clandestine) Voice of the Great National Union Front of Cambodia in Cambodian 2330 GMT 21 Apr 94

[Text] Here is a report on the attack and liberation of Boeng Trakuon and its vicinity:

1. Boeng Trakuon, also called Banteay Mean Rit, is an important area from which UNTAC [UN Transitional Authority in Cambodia], the United States, and an alliance used artillery pieces and tanks to attack Phnum Prak hill in the Phnum Chhat area in August 1993.

2. After the attack, the two-headed government, the United States, the alliance, and the communist Vietnamese assigned the 8th division of U.S.-backed puppet Dien Del [former chief of staff of the Khmer People's National Liberation Armed Forces] to join the 7th and 8th divisions of the communist Vietnamese puppets.

3. The 7th, 8th, and 12th divisions joined the communist Vietnamese puppets' troops to attack the Malai and Pailin regions. [sentence as heard] In February and March 1994, the United States provided the Dien Del forces with more than 1,000 tonnes of armaments and ammunition bought from the communist Vietnamese and Russia.

4. After clearly grasping the situation, the people and National Army of Democratic Kampuchea mustered forces to attack the warmongering troops and destroyers of the nation at Boeng Trakuon called Banteay Mean Rit, the biggest base of Dien Del.

On the night between 20 and 21 April, the people and NADK attacked and completely liberated Boeng Takuon and its vicinity. The area, which is a major base of U.S.-backed puppets Dien Del and Pan Thai, was totally destroyed. In the wake of the attack, the people in the area raised their hands praying and said: Down with the notorious border bandits, Down with the great assassins. As for parasoldiers [of the Khmer People's National Liberation Armed Forces], they also shouted: Down with great border bandits Dien Del and Pan Thai, who plunder the people's cattle and send them across the border.

Sam Rangsi Rebuts Charges in THE NATION

BK2204053994 Bangkok THE NATION in English 22 Apr 94 p A6

[Letter to the editor from Finance Minister Sam Rangsi; date not given]

[Text] In Mr Michael Vickery's article entitled "Phnom Penh power plays" and published in your April 15, edition, the writer spoke of a "FUNCINPEC [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia] faction, probably centered on Sam Rangsi, which is lukewarm towards monarchy, especially of the Sihanouk variety."

Strangely, within the space of just a few words, Mr Vickery managed to make two basic errors of fact with reference to myself. First, it is completely mistaken to believe that I lead, or indeed am part of, any "faction" within the FUNCINPEC party. Second, to suggest that I—together with a "faction" within FUNCINPEC—am anything but completely devoted to the monarchy and, in particular, to the person of His Majesty the King is not only deeply insulting but also indicates a profound ignorance of my views and of Cambodian politics.

[Signed] Sam Rangsi

Ministry of State

Minister of Economics and Finance

Cambodia

Second Assembly Session To Resume 25 Apr

BK2104150194 Phnom Penh National Radio of Cambodia Network in Cambodian 1200 GMT 21 Apr 94

[Text] The Secretariat of the National Assembly is honored to inform the public that the second session of the National Assembly's first legislature will resume its plenary session on Monday 25 April at 0800 at the National Assembly.

This is for the information of the general public.

Laos

Paper Hails 'Success' of Mahathir's Visit

BK2104144994 Vientiane Vitthayou Hengsat Radio Network in Lao 0000 GMT 20 Apr 94

[20 April PASASON Editorial: "Steps of Development of Lao-Malaysian Relations and Cooperation"]

[Text] At the invitation of His Excellency [H.E.] Khamtai Siphandon, prime minister of the Lao People's Democratic Republic [LPDR], H.E. Datuk Sri Dr. Mahathir bin Mohamed, prime minister of Malaysia, led a delegation of the Malaysian Government to pay an official, friendly visit to the LPDR from 16 to 18 April. The Malaysian Government delegation was honorably welcomed at an official ceremony. It was also accorded a warm welcome by H.E. Prime Minister Khamtai Siphandon and the multiethnic Lao people everywhere it visited. Noteworthy is that during the visit, H.E. Datuk Sri Dr. Mahathir bin Mohamed and his delegation paid a courtesy call on H.E. Nouhak Phoumsavan, president of the LPDR, which proceeded in an atmosphere of close friendship. The delegation also visited various places of economic, historic, and cultural significance in Vientiane capital and Luang Prabang Province.

Official talks between a high-level LPDR delegation led by H.E. Khamtai Siphandon and a high-level Malaysian delegation led by H.E. Datuk Sri Dr. Mahathir bin Mohamed were held at the prime minister's office in Vientiane. The talks proceeded in an atmosphere of profound friendship and mutual understanding. During

the talks, the two sides informed each other about domestic situations, lines, and policies in their respective countries which they considered a firm basis for further, ever more vigorous development of Lao-Malaysian relations and cooperation in various fields, both in the state and private sectors, to bring about concrete benefits to the two peoples. The two sides discussed and exchanged views on various issues, including promoting investment between Laos and Malaysia, an issue in which the Malaysian side is interested. Following the talks, the two sides agreed to step up delegation exchanges at all levels. During the visit, a seminar on the foreign investment atmosphere in the LPDR was also organized. The Malaysian side also assured the Lao side of its willingness to render assistance in training Lao cadres. Part of the assistance will be directly provided by the Malaysian Government and the rest will be in the form of funds from a third country. Noteworthy is that the two sides have reached an agreement on repayment between the Bank of the LPDR and Bank Negara of Malaysia—the central banks of the two countries. This agreement, together with the agreement on promoting and protecting investment which was signed in 1992, serves as a firm basis and marks a historic milestone for the further, ever more fruitful promotion and expansion of the existing good and friendly relations and cooperation between the two countries and the two peoples of Laos and Malaysia. Another significant point is that the prime ministers of the two countries believe that Laos and Malaysia have maintained sufficient conditions to promote and expand relations and cooperation in all spheres in the immediate future as well as in the long-term period.

The multiethnic Lao people wholeheartedly hail the glorious success of the Malaysian prime minister and his delegation on this visit to the LPDR. The visit is considered a new step of development in relations and cooperation between the two countries. The success of the visit also serves as a basis for the two countries to increasingly promote, expand, and strengthen friendly relations and cooperation in various fields, which will thus contribute to establishing and promoting peace, stability, friendship, and cooperation in this region.

Vientiane-Vangviang Section of Highway Completed

BK2204070094 Vientiane KPL in English 0921 GMT 21 Apr 94

[Text] Vientiane, April 21 (KPL)—The construction of the 156 km Vientiane-Vangviang section of road 13 north undertaken by the Road No.10 Construction Company is now completed.

The director of the road construction company, Mr. Savat Nokeo said that the construction project of the road section cost 15 million U.S. dollars, which was a loan from the World Bank. He said his company conducted the construction for three years.

He also said that his company was continuing with the construction of the 60 km Vangvieng-Kasi section of the same road. In addition, he said his company had received a contract from Tianjin Company of China, the contractor of road 13 south, for work on a long section of the road from Pak Kading to Savannakhet.

Philippines

Romulo's Stand on DPRK Nuclear Issue Criticized

BK2204044694 Manila MANILA STANDARD in English 16 Apr 94 p 4

[Text] Former Ambassador Leandro I. Verceles Sr., yesterday branded as "thoroughly gratuitous and inappropriate" the stand taken by Foreign Affairs Secretary Roberto Romulo concerning the United States' insistence on international inspection of the nuclear facilities of North Korea.

Verceles, a recognized United Nations expert in economic diplomacy and international law, pointed out that Romulo's criticism of the United States on the nuclear inspection issue could be misconstrued that the Philippines is siding with North Korea.

"As a former diplomat, I find the statement, twice now, of Secretary Romulo criticizing the United States for its stand vis-a-vis North Korea as thoroughly gratuitous and inappropriate," he said. "(Romulo's statements) might create the impression that the Philippines stands by the side of North Korea which certainly should not be the case. Indeed, such statements would tend to exacerbate the already sensitive situation in the (Korean) peninsula."

Verceles, who had participated in more than 100 major U.N. and bilateral conferences as chairman and/or member of the Philippine delegation, said that it was the refusal of North Korea to allow the international inspection of its nuclear facilities, in accordance with treaties of the United Nations, that has spawned the controversy.

The U.N. Security Council has already called on North Korea to adhere to its commitment to permit inspection of the seven declared nuclear sites in the country.

According to Verceles, the Security Council has the primary responsibility for the maintenance of international peace and security under the U.N. Charter. "Clearly," he said "it is the better part of wisdom and prudence for us to await action of the Security Council.

Verceles said that instead of pointing an accusatory finger at the United States, Romulo should join the call of the civilized community of nations for inspection of North Korea's nuclear facilities.

"We must realize that the Philippines is a piddling power in the arena of international politics" he said. "We should not pretend to be otherwise. We should always bear in mind that when elephants quarrel or make love it is the grass that gets trampled underfoot."

Senator Urges All-Out War Against Communists

BK2204091794 Quezon City MALAYA in English 16 Apr 94 p 2

[By Minnie Cadlina]

[Text] Senator Ernesto Maceda (NPC-Nationalist People's Coalition) yesterday urged the government to resume an all-out war with the Communist Party of the Philippines-New People's Army (CPP-NPA), who, he said, are not really interested in negotiating for peace.

In pushing for the resumption of hostilities with the CPP-NPA, Maceda said it is time for the government to take a hardline position with the communist rebels since the peace talks have been dragging for two years now with no substantial agreements.

"It has come to a point where we should ask whether we are getting anywhere with the peace process with the NPA," he said.

Maceda, chairman of the crime committee, made the statement in reaction to a radio message of "Comrade Roger" Rosal commander of the Melito Glor Command, accusing President Ramos of "coddling criminals" in reference to Leopoldo "Comrade Hector" Mabilangan.

He said Ramos should not let the accusation pass as he urged the president to order the deployment of six to eight battalions around Mt. Banahaw in the Sierra Madre mountain "to flush out" Rosal, who has admitted masterminding Mabilangan's killing.

Mabilangan was sentenced to death by a "people's court" which found him guilty of involvement in kidnapping and carnapping activities.

He said government should stop worrying about committing any act that would jeopardize the peace negotiation since even the communist rebels are not interested in pursuing the peace process.

"I say we scrap it (peace negotiatian) and resume an all-out war with the NPA," he said.

"They (CPP-NPA) have no public support anyway and they have become less dedicated in their ways. They have turned to banditry," he added.

Asked if he was not worried about derailing the peace process, he said, "what is there to derail? There is nothing happening."

It would be recalled that Maceda reportedly became a target of the NPA in 1989 for alleged corruption.

NPA Returnees Assail Netherlands-Based Leaders

BK2204103294 Manila MANILA BULLETIN in English 17 Apr 94 pp 1, 8

[Aris R. Ilagan]

[Text] Several armed regulars of the New People's Army (NPA) who have availed of the government's amnesty program have questioned the authority of communist leaders Jose Ma. Sison and Luis Jalandoni, both living in exile in the Netherlands, in preventing members of the local communist movement from getting involved in the government's ongoing peace process.

This was disclosed yesterday by Sen. Rodolfo Biazon, a member of the government peace panel, who conducted a dialogue with several rebel returnees in Tuguegarao, Cagayan.

Biazon said that the NPA leaders who attended the dialogue have criticized Sison and Jalandoni for issuing statements in behalf of the entire communist movement. They stressed that the two had lost the moral authority to lead them because of their prolonged absence in the country.

"We are tired of these leaders (Sison and Jalandoni) who always speak for us," Biazon quoted the NPA guerrillas in Tuguegarao as saying.

Biazon said the local NPA group from Naguilian, Isabela, and Gattaran, Cagayan, had completely detached themselves from the influence of the Netherlands-based communist leaders.

In their previous pronouncements, Sison and Jalandoni have rejected President Ramos' Amnesty Proclamation No. 347 for insurgents as they questioned the government's sincerity in its reconciliatory moves with various rebel groups.

Biazon said that a big number of local NPA guerrillas in Cagayan "are very much interested in the peace process but many are still worried about the pending court cases against them."

Similar dialogues were conducted between government representatives led by Biazon and NPA surrenderees in Iligan and Davao City during the past few days.

Meanwhile, Biazon called for an investigation of the alleged arbitrary arrest of rebel returnee, identified as Domingo Tagade, in Isabela by local police forces.

Tagade, who surrendered to the government in 1989 and later applied for amnesty, was charged with rebellion in Isabela.

Biazon requested the Philippine National Police (PNP) to submit a formal report regarding the arrest which, he claimed, is not in accordance with the government's peace program with the communists.

"Any pending court cases against rebel returnees who came out and surrendered should be suspended pending the outcome of the congressional hearings on the amnesty proclamations," he stressed.

Plot To Kill Communist Chief Denied by Military

BK2204091394 Quezon City PTV-4 Television Network in Tagalog 0500 GMT 22 Apr 94

[Text] The military leadership today denied involvement in a plot to liquidate Jose Ma. Sison, exiled leader of the Communist Party of the Philippines-New People's

Army-National Democratic Front [CPP-NPA-NDF]. This was revealed by Lieutenant General Arturo Enrile, Armed Forces of the Philippines [AFP] chief of staff, and Maj. Gen. Alfredo Filler, AFP vice chief of staff, in reaction to Sison's accusation.

Enrile emphasized that any attempt on the life of any of the communist movement's leaders will only destroy the peace process pushed by government.

Meanwhile, Filler said that there is no report of any such plan monitored by the AFP Intelligence Service. Filler clarified that it is Sison's group who are doing things that are destructive to them in the first place, like murder, kidnapping, and robbery.

[Begin recording in English] [Enrile] Why should we do that in the first place. You know, we are part of that sincere effort for peace in this country. If that is done, that will only derail whatever peace process that we are working out with the CPP-NPA-NDF. So, there is really no such thing.

[Filler] The Armed Forces of the Philippines do not operate that way. We view such an act as entirely counterproductive to the reconciliation process and our search for lasting peace. [end recording]

MILF Warns Renewed Struggle in Mindanao

BK2204091194 Manila MANILA STANDARD in English 17 Apr 94 p 2

[By Joe Macabalang]

[Text] Cotabato City—A separate government peace negotiation with the Moro Islamic Liberation Front (MILF) is "not needed" as long as the ongoing peace talks between the government and its rival rebel front will implement the 1976 Tripoli Pact, the MILF said yesterday.

However, Ghazali Gaafar, MILF vice chairman for political affairs, warned of a "more protracted and rigorous" struggle by Muslim rebels if the government's current peace talks with the Moro National Liberation Front (MNLF) bogs down anew.

Gaafar said the MILF "will not ask for more" as long as the government and the MILF will agree on the full implementation of the 1976 Tripoli Agreement.

"The success of the RP [Republic of the Philippines]-MNLF talks depends much on the government's willingness to abide by such agreement," he added.

Gaafar refuted earlier reports that the MILF has had direct participations in earlier atrocities in Cotabato, Sultan Kudarat, and Maguindanao provinces to attract attention and "force" the government to hold separate talks with their front.

He said, the MILF consider the MNLF a "friendly force" and that there is no difference in the two fronts' objectives.

Sources said the sudden attitude of the MILF leadership towards its rival MNLF could be a result of the recent "consolidation dialog" between leaders of the two fronts, in a bid to strengthen the Bangsamoro rebels' revolutionary stature.

MNLF Chairman Nur Misuari, in his "incognito visit" here last Good Friday, had avoided "to contemplate on the alternative to peace," a statement interpreted locally as a gesture of all-out efforts by the MNLF to end the peace talks successfully.

Corroborating Misuari's statement, Gaafar said, "there can be no other solution to the Mindanao problem except the grant of genuine autonomy in the area."

Both the MILF and the MNLF have been demanding for the full implementation of the 1976 Tripoli Agreement, which calls for the grant of autonomy in Mindanao.

Under the Aquino Administration, a plebiscite was conducted on the 13 provinces and 10 cities, but only four opted to join the Constitutionally-mandated Autonomous Region in Muslim Mindanao, an institution both the MNLF and MILF have rejected.

The agreement's implementation "in letter and in spirit" is the main agendum of the resumed RP-MNLF peace talks which began last year in Jakarta, Indonesia and resume this month or the next in the same host foreign country.

Breakaway Communist Leader Remains Defiant

BK2204105894 Manila PHILIPPINE DAILY INQUIRER in English 17 Apr 94 pp 1, 11

[By Bobby Timonera and Carla P. Gomez]

[Text] Come and get me. An alleged former official of the Communist Party of the Philippines [CPP] issued this dare yesterday to CPP leader Gregorio "Ka [Comrade] Roger" Rosal in reaction to reports that a "people's court" was set to mete out death sentences to him and three former comrades in the underground movement.

"Let them shoot me," Ricardo Reyes, an alleged former member of the CPP Central Committee, told the INQUIRER. "I'm an easy target, anyway, going around, leading a normal life."

A report emanating from a rebel base in Sierra Madre quoted Rosal as saying a communist people's court was about to convene and hand down judgment on the four alleged former CPP officials.

The three others are Romulo Kintanar, reportedly a former chief of the New People's Army [NPA]; Arturo Tabara, alleged former head of the CPP Visayas Commission; and, Felimon Lagman, alleged leader of the CPP Manila-Rizal Regional Party Committee.

Rosal, CPP spokesperson of the NPA Melitor Glor Command in Southern Tagalog, reportedly said all four were likely to suffer the same fate as Leopoldo "Ka Hector" Mabilangan, ousted leader of the NPA Banahaw

Command. Mabilangan was shot dead in Sto. [Holy] Tomas, Batangas, on 3 April.

It was Rosal, too, who announced that Mabilangan had been sentenced to death by a CPP people's court and that his command carried out the execution.

"I will not be threatened by people who want to play god and who have no respect for due process," Reyes said.

He said nothing could distract him from working for the renewal of the rift-laden leftist movement.

Reyes is now identified with Siglo ng Paglaya [Century of Independence] (Siglaya), said to be a breakaway group from the Bagong Alyansang Makabayan [New Nationalist Alliance] (Bayan) and described in some quarters as part of the "third bloc" in the leftist movement.

Reyes, Kintanar, Tabara, and Lagman have become critics of CPP founder Jose Ma. Sison, now on self-exile in the Netherlands.

Sison, in turn, has called them "renegades," "counter-revolutionaries," and "agents of the government."

Lagman and Tabara have openly declared "autonomy" from the pro-Sison faction last year.

Tabara was captured on Negros Island in January. Blamed by the military for a series of kidnappings in Tiaong, Quezon, he is now detained in Fort Bonifacio.

Kintanar has kept a discreet silence since regaining freedom in 1992.

Reyes said there had never been a "people's court" but only a party-appointed one.

"Their kangaroo court has no rules of evidence to go by," he said, adding that he and the three others would likely be tried in absentio without benefit of counsel.

The judges in the "court," he said, would likely include Benito Tiamzon, allegedly the CPP vice chair; his wife Wilma Austria- Tiamzon; and, Leo Velasco and Armano Teng, believed to be top party leaders.

The four, Reyes pointed out, were the same people who had long indicted him, Tabara, Kintanar, and Lagman as counterrevolutionaries and agents of the government.

"We have this spectacle of the same people acting as accusers, prosecutors, fiscals, and judges rolled into one," he said.

Reyes said Rosal and his comrades must have forgotten one very important revolutionary dictum: "They can kill people but not ideas."

Rosal himself, along with several members of his command, was charged by the police last Friday with double murder and multiple frustrated in connection with the killing of Mabilangan and his aide, Alberto Remo, also known as Roberto Kumawan. [sentence as published]

A policeman, SPO [expansion unknown] 2 Jaime Rivera, and two civilians were wounded in the attack.

On Negros Island, a CPP breakaway faction announced a plan to set up a new party and revolutionary organization to distinguish itself from the "Stalinist leadership of Sison."

Juanito Montano, commander of the Negros Island Regional Operational Command-Autonomous, said in a statement last Friday that the consolidation of revolutionary forces under the CPP-NPA "autonomous region" in Negros was going on "in preparation for putting up a new party, its own revolutionary army and alliances."

Priest Assumes Leadership of Pro-Sison NPA

BK2004123994 Manila THE MANILA CHRONICLE in English 11 Apr 94 p 2

[Text] Bacolod City—A ranking New People's Army (NPA) official has confirmed that priest-turned-rebel Frank Fernandez has assumed leadership of the pro-Sison forces in Negros.

The rejectionist group of rebels under Arturo Tabara, however, described the leadership of Fernandez as "fake" and said it is not recognized by the NPA forces in Negros.

Fernandez is the secretary general of the National Democratic Front.

Estelito Dioquino, former NPA commander of Southern Negros, claimed majority of the NPA forces in Negros are supporters of the rejectionist group under Tabara, alias Victor del Mar, Communist Party of the Philippines Visayas Commission chairman.

'Red Tape' Cited as Obstacle to Peace Talks

BK2104063394 Manila THE MANILA CHRONICLE in English 14 Apr 94 p 2

[By Frank Longid Jr.]

[Text] Leaders of the Rebolusyonaryong Alyansang Makabansa [RAM] yesterday cited red tape in government as one of the most daunting hurdles in the peace process, saying this may undermine the sincerity of government negotiators.

Earlier, Ambassador Manuel Yan, presidential adviser on the peace process, had singled out the bureaucracy as one of the problems facing participants in the peace process.

He cited red tape as the reason behind the slow release of funds to the government negotiating panels.

Another official involved in the peace process said that if not for the initiative of some panel members, "the adverse effect of the bureaucracy on the peace process might have been worse than what has been reported so far."

Speaking at the Fernandina breakfast forum, RAM leaders again pointed to the fact that it took the government and RAM panels a year to thresh out "procedural matters."

Capt. Danilo Lim, RAM panel spokesman, said the delay in the peace talks between government and RAM was "purely bureaucratic."

"For example," he said, "it took three months to settle the issue on whether or not we could carry firearms for our own security, despite the fact that the government panel chairman himself, Prof. Alfredo Tadiar, had said this was a reasonable request."

RAM leaders also reiterated their call for "full-time negotiators" to sit on the government panel. "Kami, puwede kaming kausapin [They can talk to us], anytime," said Navy Capt. Proceso Maligalig, chairman of the RAM secretariat.

On the other hand, he said government panel members have "other duties" to fulfill other than negotiating with the RAM. "Yung pag- uusap, parang naging collateral duties lang [The peace talks seem to become their collateral duties]."

Two Views of Military Rebellion Discussed

BK2104041594 Manila MANILA STANDARD in English 15 Apr 94 p 11

[Article by Amante E. Bigornia: "Two Ways of Looking at Military Rebellion"]

[Text] Whom to believe: President Ramos or Gringo [Gregorio] Honasan on the rebellious mood of the military?

The poser came up when the president praised former Armed Forces of the Philippines Chief of Staff Gen. Lisandro Abadia for supposedly having unified the military, in effect making the RAM or Rebolusyonaryong Alyansang Makabansa [Nationalist Revolutionary Alliance] of Col. Gregorio "Gringo" Honasan irrelevant.

The commendation was given by Mr. Ramos when Abadia turned over the AFP [Armed Forces of the Philippines] command to his successor, Lt. Gen. Arturo Enrile, former Philippine Army commander, at rites in Camp Aguinaldo last Tuesday.

The president said the AFP "has already put behind it the ravages of dissent and adventurism... The armed forces managed (during the three-year stint of Abadia as chief of staff) a remarkable turnaround and now we see a more united and professional corps of officers, enlisted personnel and civilian employees."

The day following, last Wednesday, Gringo belied the president's claims. The leader of the two failed military coups during the preceding administration dismissed the presidential claim as a hollow praise given willy-nilly during traditional retirement parades.

The conflicting views deserve some consideration. The government is holding simultaneous but separate peace negotiations, although currently stalled, with the military rebels and two other insurgent groups, the Communist Party of the Philippines/New People's Army, and the secessionist Moro National Liberation Front.

The problem posed by the mutinous military must have been serious when the group was included in the peace process initiated by Mr. Ramos immediately after his taking office almost two years ago.

However, things must have happened, either within the rebellious military or in the entire military establishment itself between then and now to justify the president's claim of unity in the Armed Forces. General Abadia had several informal talks with the mutinous military leaders, separate from the talks between them and a government panel.

On the other hand, General Abadia, only last February, accused the rebel leadership of allegedly using the liberty they enjoy during the negotiations to muster support in various military camps for their movement.

Gringo naturally denied this, claiming it was but natural for them to go around the military camps to talk shop with comrades-in-arms, specially old friends, after their long stay in the underground.

But Gringo did not deny that his group was still active. In fact, he reportedly claimed that they still had in their possession considerable arms and ammunition, presumably enough to mount another coup attempt.

At a recent social gathering, Gringo told this writer that the rebellious temper of the troops was spreading down to the enlisted men's level at a faster pace than imagined. "You'd be surprised how deep down the movement has gone," he said.

What was more astounding, he added with evident pride and satisfaction, was the growing support his group was getting from the civilian population. This, to us, was ominous.

For at the same gathering, other rebel leaders admitted, although not as a strategic mistake, that in the two real coup attempts against the Aquino administration, they did not make any effort to gain popular support before they staged their failed putsches.

If they staged a coup, would they have the support this time of the civilian population, which was the crucial element of the successful EDSA [Epifanio de los Santos Avenue] revolt in 1986?

Their current activities do not seem geared towards generating active popular support—or they could again be committing a miscalculation.

They have lately been attending press conferences, television talk shows and other information fora so often, their motives have elicited what might be wrong impressions.

Already, Gringo is suspected of wanting to be a senator, a position he could easily win. Asked if his group was

fielding candidates in next year's elections, he said, "If the playing fields are level, we will consider it."

By this he might be entertaining ideas of shifting from a military to the parliamentary struggle to gain the reforms his group is fighting for. How effective that could be is open to question.

But he might be forgetting that his being seen, read and heard too often in person, in newspapers and on television could erode the glamour that surrounds his persona as well as the mystique his group has acquired not only by their failed adventures but also by their unknown, mysterious movements for many years.

Honasan, of course, is masculinely handsome and charismatic. But he is playing against the adage that no man is a hero to his valet, or the more popular saying that familiarity breeds contempt.

At any rate, by next year, according to law, the Philippine National Police (PNP) will take over from the Armed Forces the mission of solving the insurgency problem. With the anti-insurgency campaign taken away from it, the AFP would be nothing more than a reserve and training command, not an ideal source of mutiny.

It is unlikely that Gringo's group has or can make inroads into the PNP. For the most part, the mutinous officers are army, air force and navy officers, and their former comrades in the AFP who have joined the PNP are getting fat in the belly and therefore not keen on reform.

Mr. Ramos may have solved the RAM problem, but without the reforms in the military and civilian establishments that the rebels demand, the national recovery he hopes to achieve will be slow in coming.

ASEAN-Canada Program To Back Marine Studies

BK2004054794 Manila BUSINESS WORLD in English 8 Apr 94 p 7

[Excerpt] The Philippines clinched a grant from the ASEAN- Canada Cooperative Programme on Marine Science-Phase II for the implementation of research projects under the said program.

The $137,774-grant was approved in principle by the program's Project Steering Committee in Chiang Mai, Thailand.

Some of the projects under the program include studies on environmental criteria, pollution monitoring, and red tide. Meanwhile, private firms and academic institutions, including research units, can now avail of support funds for research under the DOST's [Department of Science and Technology] Research and Development (R&D) Support Program of the Philippine Council for Advanced Science and Technology, Research and Development (PCASTRD).

The PCASTRD R&D Support Program covers research in the advanced science and technology fields of biotechnology, material science, information technology, photonics, electronics, instrumentation and control. [passage omitted]

New Oil Field Discovered in West Linapacan

BK2104023894 Manila THE MANILA CHRONICLE in English 13 Apr 94 pp 1, 6

[By Katherine Espina]

[Text] A new oil find has been discovered in the West Linapacan "A" field in Northwest Palawan, the Department of Energy (DOE) announced yesterday.

Energy Undersecretary Rufino Bomasang said President Ramos was informed yesterday of the latest find in West Linapacan, the country's biggest oil field.

The find was made as the West Linapacan consortium was drilling a sidetrack well dubbed as A-5 to stop water seepage in the original well.

Water encroachment in the Linapacan wells cut their production level from a high of 18,000 barrels a day (BOPD) early last year to 5,000 BOPD in December 1993.

Consortium representatives told DOE officials last Friday that the A-5 well encountered continuous very good oil shows in the limestone up to a depth of 8,020 feet.

The operators said the oil-water contact in the A-5 well is lower than that in the A-3 well, giving an additional 400 feet of oil column.

An energy department source said the discovery of a new oil section may boost the production of crude from West Linapacan.

The consortium also reported that the A-5 well may have combination gas and water drive which would enhance oil recovery.

Three drill stem tests (DST) are to be conducted in A-5 this week after which the well will be completed for production and hooked up the storage tanker. [sentence as published]

Alcorn (Production) Phils., Inc., the operator of the field, has a 23.4 percent stake in Linapacan. Its partners are Oriental Petroleum & Minerals Corp. (36.6 percent); Basic Petroleum (11 percent); Alcorn Petroleum and Minerals (7.4 percent); Alcorn Phils. Inc. (5.6 percent); Petrofields (5 percent); Philodrill (4 percent); Seafront (4 percent); Unioil (2 percent); and Balabac Oil (1 percent).

Still on the oil sector, Shell Philippines Exploration Corp. (SPEX) and Occidental Petroleum are eyeing two of the world's biggest oil exploration firms as partners in the $2 billion worth development of the Camago-Malampaya field in Northwest Palawan, the largest gas find in the country.

An industry source said that Atlantic Richfield Co. (Arco), one of the top ten oil exploration firms in the United States, and Total Corp., a French oil company, are negotiating separately with Shell and Oxy.

Arco recently won the geophysical and seismic exploration contract (GSEC) covering the Sulu Sea.

The source said that SPEX and Oxy, operators of the Camago-Malampaya field, are willing to offer up to 15 percent each to a foreign partner. Shell and Oxy each have a 50 percent stake in Camago-Malampaya.

Shell and Oxy have started inviting foreign oil companies to join the Camago-Malampaya development last February.

Shell and Oxy has shortlisted some five companies as possible partners which include Arco and Total.

Shell and Oxy are willing to accept investors who would be able to carry their share of a $2-billion project.

A 1 percent participating interest in Camago-Malampaya may be worth some $20 million.

Earlier, sources said that the two oil exploration companies were not inclined to dilute the ownership of the field.

Last February, Shell and Oxy started the drilling of two wells.

Two more wells are expected to be drilled to confirm reserves of three to five trillion cubic feet (TCF) of natural gas and a minimum of 100 million barrels.

Bomasang earlier said the Camago-Malampaya field could supply Luzon at least 600 million cubic feet of gas per day through an undersea pipeline.

The amount will be enough to sustain the fuel requirements of a 3,000-megawatt (Mw) power plant by the year 2000.

According to Bomasang, an early production system will produce oil at 20,000 to 50,000 barrels per day by 1996 and if the reserves are adequate, a final production system of 10,000 to 20,000 BOPD would be set up by 1999.

Public Companies' High Capital Investment Noted

BK2004063694 Manila BUSINESS WORLD in English 8 Apr 94 p 14

[Text] Initial capital investments of newly-registered domestic stock entities rose to P14.44 billion [Philippine pesos] in 1993 or 70 percent compared with P8.51 billion the previous year, data from the Securities and Exchange Commission (SEC) show.

This developed as a 14 percent increase in registrants was posted at 20,572 last year compared with 18,072 in 1992.

The finance sector led the upsurge with capital investments amounting to P7.99 billion, or 55 percent of the total. The manufacturing sector registered second, with P1.86 billion in investments.

Wholesale and retail trade, community, social, and personal services sectors followed closely with investments totalling P1.67 billion and P920.7 million, respectively.

The highest monthly figure was posted in January at P3.26 billion, with P2.94 billion going to the financing insurance, real estate, and business service sector alone.

However, it plunged 83 percent to P558.9 million in February due to a corresponding sudden drop in investments in the finance sector to only P199.4 million.

Capital inflows remained stable for the months of March to June with a slight decrease in July where the year's lowest investment was listed at P781 million. From there, it gained an upward trend and peaked during the month of October with P1.86 billion due to improvements in the power situation during the last quarter of 1993. However, this did not compare with January's record-breaking performance.

Despite the severe power crisis that crippled some manufacturing industries early last year, the sector posted investments totalling P1.86 billion—the second highest among the major industries.

The agriculture, fisheries, and forestry sector remained at the tail-end of the investments race with only P179.5 million. This can be attributed to institutional problems like the lack of farm-to-market roads and inefficient irrigation systems.

Likewise, the electricity, gas, and water sector registered a modest performance with total fresh capital of P211 million, the second lowest among the industries.

To encourage private participation in the power industry, President Ramos issued Executive Order 215 which allowed the entry of the private sector into build-operate-transfer (BOT) contracts, and the streamlining of the approval process and regulatory framework of independent power producers (IPP).

Furthermore, efforts to revive the mining and quarrying sector went under way with the Senate's endorsement of the excise tax reduction scheme to make the industry more attractive to private capitalists.

Meanwhile, additional investments in existing domestic stock corporations and partnerships declined last year by 17.24 percent to P26.30 million from P31.78 million in 1992. Likewise, a slight dip in the number of firms was experienced with 1,057 firms reinvesting in the country—only three firms short of 1992 levels.

Capital inflows dropped from P2.64 million in December 1992 to P0.89 million in the first month of 1993 with 71 firms putting in additional investments.

A better business climate was experienced during the second half of 1993 with reinvestments climbing from P1.89 million in June to an all-time high of P5.29 million in September. This development was, likewise, attributed to the improved power situation.

Thailand

Chuan Reviews Talks With Malaysian Counterpart

BK2104163494 Bangkok Radio Thailand Network in Thai 1200 GMT 21 Apr 94

[Text] Prime Minister Chuan Likphai returned from Malaysia this evening. Talking to reporters upon his arrival at Don Muang Airport, he said that his talks with the Malaysian prime minister on issues of common interest proceeded in a good atmosphere.

[Begin recording] [Chuan] In brief, I held talks with the Malaysian prime minister on bilateral cooperation, such as cooperation in the field of communications linking Thailand and Malaysia and this region and the issue of the proposed East Asian Economic Caucus. The Malaysian prime minister explained details of the proposal. The foreign minister briefed the Malaysian side on the results of his trip to Burma and the Malaysian prime minister agreed with Thailand's plan to invite Burma to attend the upcoming ASEAN ministerial meeting to be held in Thailand in July. Other miscellaneous issues were also discussed. The meeting proceeded in a good atmosphere. The launch of the Malaysian-Thai Joint Authority sets a good example for other countries to follow.

[Unidentified correspondent] Did Malaysia raise the issue of Cambodian accusations against Thailand during the meeting?

[Chuan] No, nobody is interested in this issue.

[Unidentified correspondent] So you did not mention anything about this.

[Chuan] No, we have nothing to talk about. We discussed only the main issues such as bilateral cooperation. We emphasized cooperation in the triangle economic development between Thailand, Indonesia, and Malaysia. Private sectors of the two countries have made progress in this regard. We will get a clear direction for this project when the Asian Development Bank completes its study for the project in the next two or three months. [end recording]

PRC Delegation Arrives in Bangkok

BK2104154694 Bangkok XIN ZHONG YUAN RIBAO in Chinese 21 Apr 94 p 15

[Text] Zhu Liang, chairman of the National People's Congress Foreign Affairs Committee, and his delegation arrived on 15 April on a visit to Thailand as guests of the House Foreign Affairs Committee.

Zhu Liang and his delegation paid a courtesy call on Parliament President Marut Bunnak yesterday morning. The two sides exchanged views on ways to strengthen contacts between the parliaments of the two countries and develop bilateral relations.

On 19 April, Zhu Liang and his delegation paid courtesy calls on Deputy Prime Minister Amnuai Wirawan and Deputy Foreign Minister Surin Phitsuwan. During the meetings, Amnuai and Surin said that Thailand has attached great importance to friendly relations with China over the past 19 years. They expressed their hope that the two countries will expand bilateral cooperation in politics, trade, and other fields. They expressed the opinion that on the occasion of next year's 20th anniversary of the establishment of diplomatic relations, the two countries should hold grand celebrations throughout the year to promote bilateral relations further. Deputy Foreign Minister Surin also suggested that a Chinese museum be built in Bangkok. Such a museum would highlight the origins and migrations of the Chinese people, important historical figures, and the development of Thailand-China relations in order to deepen the Thai people's understanding of the Chinese people.

Zhu Liang and his delegation visited Khon Kaen and Chiang Rai Provinces on 16 and 17 April to exchange views with officials concerned with the Quadrangle economic development project.

Zhu Liang and his delegation also attend a party hosted by Bangkok Bank President Chen Youhan [Chatri Sophonphanit] last night. The delegation will leave Bangkok for the Philippines today.

Editorial Assails Accusations by Ranariddh

BK2204095794 Bangkok THAI RAT in Thai 22 Apr 94 p 3

[Editorial: "What Game is Prince Ranariddh Playing?"]

[Text] Looking back into the past, we cannot believe that the four warring Cambodian factions killed one another to the brink of extinction. A man whose life was saved by Thai soldiers during the Khmer Rouge offensive at Choam border pass near Surin Province is Prince Ranariddh, who is now a co-prime minister of Cambodia. Had the Thai artillery unit failed to rescue him from danger at Choam battlefield, the prince would not have become the prime minister nor would he have had the chance to behave so arrogantly as he is doing today.

As Prince Ranariddh and certain ministers of the Cambodian Government are making numerous slanderous accusations against Thailand to discredit our country in the eyes of the international community, we are pleased with the actions taken by our prime minister, Ministry of Foreign Affairs, and Armed Forces in the defense of our nation's image and prestige. We hail their tremendous tolerance and patience, otherwise we would have fallen into the trap set by the Cambodians.

Considering the situation, we can see that Prince Ranarridh is no different from the Bosnian Serbs who believe in national reunification through war with the intention of keeping other factions under their thumb and detesting national reconciliation. As a matter of fact, if the Cambodians want to prolong their genocidal war, that is their business, not ours. In reality, things turn out differently. Thailand has been accused of supporting the Khmer Rouge. It believes that Prince Ranariddh wants

to use Thailand as the target of criticism to divert the attention of the Cambodian people away from other domestic difficulties.

Our government and Armed Forces must be patient in dealing with this problem. We know well that the Cambodian Government is now very weak. Soldiers and policemen have not received their salaries for several months and are living in agony. They can rise up against the government at any time. The longer the war drags on, the weaker the government will be due to depleting financial resources. Hence, the same old trick is employed to divert the people's attention to something outside the country so that they will not be aware of internal shortcomings.

From another point of view, Prince Ranariddh and several countries now investing in Cambodia are not happy with Thailand's growing economic and cultural influence in Cambodia. At the instruction of former colonialists, Prince Ranariddh deems it necessary to do something to eliminate the Thai clamp on Cambodia in exchange for military and economic assistance from other countries. Prince Ranariddh and his colleagues might be misled by old information and pictures provided by intelligence units of certain countries and blindly use them to substantiate his charges against Thailand.

The repetition of groundless accusations against Thailand is causing many countries to wonder about the truth of such allegations. Moreover, Cambodia reacts indifferently to Thailand's protests in this regard. Optimistically speaking, the Cambodians might now come to realize that they have made a mistake. Therefore, we must act wisely in order to assert our maturity. Let them continue killing one another as they wish.

Fighting Reported Inside Cambodia

BK2204081294 Bangkok THAI RAT in Thai 22 Apr 94 p 22

[Text] There was a report of heavy shelling inside Cambodia opposite Sa Kaeo Province on 21 April. According to the report, a group of about 200 Khmer Rouge forces of the 519th Division at 0500 on 21 April opened fire on a former Khmer Serei command post, which is now under control of the Cambodian Government, at Boeng Ta Kuan in Thmar Puok District, Banteay Meanchey Province, about 20 km from Ta Phraya District, Sa Kaeo Province. As a result, people's houses and markets were damaged; government soldiers were running away from the attack. The shelling continued until afternoon. About 600 Cambodian people, mainly children and the elderly, crossed the border into Thailand's Ban Khlong Phaeng, Tambon Thapsadet, Taphraya District. Thai soldiers and policemen disarmed them and gave them help on humanitarian grounds. General Atchawin Sawetserani, Burapha Task Force deputy commander, ordered that a temporary shelter be given to those people until the fighting inside Cambodia calms down. They will be pushed back once the shelling stops.

Khmer Rouge Captures Government Border Village

BK2204032694 Bangkok BANGKOK POST in English 22 Apr 94 p 1

[Text] KHMER Rouge guerrillas attacked a Cambodian government border village yesterday, killing about 20 civilians and sending some 1,000 civilians fleeing across the border to Thailand.

Over 200 guerrillas launched a pre-dawn attack on Boeng Trakuon village, which was defended by about the same number of government troops headed by Lt Gen Chea Tun.

Thai military sources said the Khmer Rouge appear to have routed the defenders and captured the base, which is located opposite Ban Ta Phraya of Ta Phraya district.

A black market at Boeng Trakuon, an ammunition dump and a storage bungalow were burned down by the guerrillas.

The blaze sent big black plumes of smoke twisting into the sky which were seen from the Thai side of the border.

Cambodian army major Kong Savin, who fled to Ban Ta Phraya with the refugees, said at least 20 civilians were killed and an unknown number were captured. He said the Khmer Rouge attack caught the government forces by surprise.

He added that the guerrillas had threatened to kill every man who was seen wearing an army uniform.

Maj Kong said he deeply appreciated Thailand's humanitarian support for the refugees.

Col Atchawin Sawetserani, deputy commander of the Burapha Task Force, said he had received a report that 628 Cambodian refugees had arrived in Thailand and the number was still increasing.

The refugees, he said, will be given refuge and food.

But armed Cambodian soldiers will be disarmed, he added.

The colonel added that the refugees would be repatriated as soon as possible to safe areas where there is no fighting.

He said the border passes at Phnom Phra and Phnom Chat would be the repatriation route.

He also warned that the Thai military would retaliate if stray shells land in Thailand.

"Only one artillery shell landed on the Thai side yesterday, but there has been lots of small arms fire," said the colonel, acknowledging that the cross-border firing might be accidental.

A military source said Khmer Rouge guerrillas had been spotted advancing towards Thmar Puok which is the head quarters of the 7th Division.

Vietnam

New MIA Search, Interviews Begin 21 Apr

BK2204111494 Hanoi Voice of Vietnam in English 1000 GMT 22 Apr 94

[Text] A new search for missing in action [MIA] from the Vietnam war began on Thursday with the participation of more than 100 American specialists. It is the second biggest search since the lifting of the United States trade embargo.

They will conduct interviews of local people, and undertake excavations in 15 provinces and the three large cities of Hanoi, Ho Chi Minh City, and Haiphong.

Lieutenant Colonel John Cray, chief of the United States MIA Bureau in Hanoi, said that over the past six weeks, American specialists visited 10 prisons but did not find any evidence of the Americans detained after the war.

Oil Exploration Contract Signed With U.S, Japan

BK2204022194 Hanoi Voice of Vietnam Network in Vietnamese 2300 GMT 19 Apr 94

[Text] In Hanoi on the afternoon of 19 April, Dr. Ho Si Thoang, general director of the Vietnam Oil and Gas Corporation [VOGC], signed a production-sharing contract with representatives of the U.S. (NJP) Group and Japanese companies for oil and gas exploration and exploitation in Lot 05-1B on the Vietnamese continental shelf. Participating in the contract are the VOGC's Oil and Gas Exploration and Exploitation Company and an oil and gas company of the Russian Federation. This is 27th production-sharing contract signed between the VOGC and foreign companies since the introduction of the state Investment Law; it is the first contract signed with a major U.S. oil company.

Lot 05-1B in the Thanh Long oil field is located on the Vietnamese continental shelf. It lies about 400 km southeast of the Vietnamese coast next to the Dai Hung oil field. It is considered a promising spot for oil and gas. The U.S company searched and explored here in early 1975 before withdrawing in April 1975.

Present at the signing ceremony were Deputy Prime Minister Tran Duc Luong, many high-ranking Vietnamese Government officials, and diplomatic representatives of the concerned countries.

U.S. Oil Search 'Grave Violation' of Sovereignty

BK2204071594 Hanoi Voice of Vietnam Network in Vietnamese 0015 GMT 22 Apr 94

[Essay by Unidentified Station Editor]

[Text] The U.S.-owned Crestone energy company issued a press release on 18 April 1994, announcing that it is conducting a seismologial survey and preparing for exploratory drilling to evaluate the latent oil and gas potential of the so-called WANANBEI-21 Contract area.

The public is expressing indignation over the attitude of the Crestone energy company and its actions because of the following reasons:

First, the sea area where Crestone is conducting the seismologial survey is precisely the Tu Chinh coral reef of Vietnam. This area lies within Vietnam's sacred terrorial sea. By arrogantly conducting a survey in this area, Crestone has brazenly and gravely violated Vietnamese sovereignty, thus tramping on international justice and law, provoking public opinion, and running counter to the trend of our time which, promoted by the world community, calls for the respect of the independence, sovereignty, and territorial integrity of every country.

Second, the U.S.-owned Crestone company deliberately distorted the truth and the history to cover up its wrongdoing. It claimed that its action is a continuation of China's history of research and exploration in that sea area, which allegedly began since time immemorial as far back as 200 years B.C.

In view of the wrongful attitude and action of Crestone, we express our great indignation over the company's action and denounce it before the public.

Right from the time when the company signed an oil exploration and exploitation contract with the Offshore Oil Company of China in May 1992, the SRV Foreign Ministry had issued a statement declaring that this contract is invalid and that it constitutes a grave violation against Vietnam's sovereignty over its continental shelf and economic zone as well as against international law.

We assert that according to international law, Vietnam has long exercised its sovereignty over the Tu Chinh area. As early as before 1975, this area was divided into bid lots for oil and gas exploration and exploitation. The then Provisional Revolutionary Government of South Vietnam also issued a statement asserting its sovereignty. After the unification of the country, the SRV Government issued its statements dated 12 May 1977 and 12 November 1982, asserting Vietnam's sovereignty over its territorial seas and continental shelves. In 1988, the Vietnamese side made public a chart of concession lots divided for oil exploration and exploitation purposes. Vietnam has since conducted exploration and exploitation of its oil and gas resources in that area, including its cooperation with many foreign companies. As decided by the SRV Government, an economic, scientific, and service zone has been established there since 1989 with the presence of a system of Vietnamese lighthouses and a hydro-meteorological station.

On 20 April 1994, a spokesman for the SRV Government again clearly pointed out that the seismological survey by the Crestone company and its arrogant declaration of a planned exploration and exploitation of national resources in the area within Vietnam's exclusive economic zone and continental shelf—an area which is, both legally and practically, totally under Vietnamese

sovereignty—constitutes a new, very grave step of escalation; and that the Crestone company must bear full responsibility for the consequences arising from its actions.

Once again, we asserted that the contract of the Crestone company is invalid and that its actions are illegal. No countries or companies will be allowed to conduct any exploration or exploitation of natural resources within Vietnam's continental shelf and exclusive economic zone without permission from the Vietnamese Government.

Ukrainian Foreign Minister Makes Official Visit

Arrives in Hanoi

BK2204014394 Hanoi VNA in English 1414 GMT 21 Apr 94

[Text] Hanoi VNA April [dateline as received]—Foreign Minister of Ukraine Anatoliy Zlenko and his wife arrived in Hanoi this afternoon beginning their official visit to Vietnam as guest of Foreign Minister Nguyen Manh Cam.

They are accompanied by many senior economic officials and businessmen of Ukraine.

Prominent among those present at the welcome ceremony were Foreign Minister Nguyen Manh Cam and his wife and Deputy Foreign Minister Nguyen Dy Nien.

In the evening, Foreign Minister Nguyen Manh Cam and his wife gave a banquet in honour of the Ukrainian foreign minister and his entourage.

Considered 'Significant Visit'

BK2104160394 Hanoi Voice of Vietnam in English 1000 GMT 21 Apr 94

[Station commentary]

[Text] Ukrainian Foreign Minister Anatoliy Maksymovych arrived in Hanoi on Thursday for an official visit to Vietnam at the invitation of Vietnamese Foreign Minister Nguyen Manh Cam. Radio Voice of Vietnam reviews relations between Vietnam and Ukraine over the past years.

The visit to Vietnam by the Ukrainian foreign minister is of great significance to both countries as this is the first visit to Vietnam of a foreign minister from Ukraine, a republic of the former Soviet Union. It is a start in relations between the two countries.

Following a foreign policy to be friends with all nations in the world, Vietnam has established diplomatic relations with all the member countries of the Commonwealth of Independent States after the collapse of the former Soviet Union. Diplomatic relations with Ukraine was established in January 1992. Today, the bilateral relations between Vietnam and Ukraine has developed in many fields. The number of agreements to be signed by the two countries with a view to exploiting each other's potential will help the economic development of each country. They include the agreement on economic relations; trade, military, technical, and aviation cooperation; a protocol on foreigners; and an agreement on the travelling of citizens in each country.

Vietnam and Ukraine have also signed other documents such as the agreement on the encouragement and protection of investment; the agreement on the avoidance of double taxation; a consular agreement; and an agreement on cooperation in culture, science, and education.

Both nations are now promoting the trading ties. In 1992, the two-way trade turnover was only $15 million. In 1993, the turnover was also lightly increased. Vietnam mainly imported dairy products, steel, and construction materials, while Ukraine imported agriculture products and consumers goods. Ukraine is assisting Vietnam in building the Yali Hydroelectric Power Plant and another project with a total capital of $18 million.

This visit by the Ukrainian foreign minister is a good opportunity for the two countries to join efforts and find measures to further strengthen the cooperative economic relations. The visit is also a chance for the two countries to exchange experiences in economic development of each country. The Vietnamese people as well as the Ukrainian people hope that this visit to Vietnam by Minister Anatoliy Maksymovych will make contribution to the development of relations between the two countries.

Do Muoi Holds Talks With Lao Party Delegation

BK2204091994 Hanoi Voice of Vietnam Network in Vietnamese 2300 GMT 21 Apr 94

[Text] In Hanoi on 21 April, General Secretary Do Muoi cordially received the Lao People's Revolutionary Party [LPRP] Central Committee Organization Department delegation led by its chief Thongsing Thammavong currently on a visit to Vietnam.

Comrade Thongsing Thammavong said his delegation held working session with the Communist Party of Vietnam Central Committee Organization Department and other agencies concerned to exchange experiences and views on various issues. He said he was pleased to see that in the new situation the two parties, states, and peoples have cooperated consistently and helped each other to fulfill the objectives set by their respective parties.

General Secretary Do Muoi warmly welcomed the Lao party delegation and hailed the success scored by the delegation during the visit. He said this has further strengthened the close, fraternal relations between the two parties and peoples.

Comrade Do Muoi briefed the Lao delegation on the party building task in the new situation, and expressed the hope that both sides will continue to consistently exchange experiences and expand cooperation, thereby contributing to consolidating and developing the special friendly relations between the two parties and nations.

Provincial, Municipal Party Delegates Visit PRC

BK2204021394 Hanoi VNA in English 1407 GMT 21 Apr 94

[Text] Hanoi VNA April 21—A delegation of senior official of some provincial and municipal party committees of Vietnam led by Nguyen Tan Dung, member of the party Central Committee, secretary of the provincial party committee of the southern province of Kien Giang, made a working visit to China from April 9 to 19.

The 10-day visit was made at the invitation of the Central Committee of the Communist Party of China (CPC).

While in China, the delegation had working sessions with a delegation of the Chinese Communist Party led by Zhu Shanqing, deputy head of the International Liaison Department of the CPC Central Committee, the State Commission for Restructuring the Economic System.

It also met with the leadership of the two provinces of Guangdong and Hainan. The two sides exchanged views on the issues relating to the socio economic development in the present situation of each country.

The Vietnamese delegation also studies the renovation process in agriculture and industry in China.

Program Marks Lenin's Birthday, Hails Socialism

BK2104092794 Hanoi Voice of Vietnam Network in Vietnamese 1400 GMT 19 Apr 94

("Topical Talk" feature with station editor Vu Dinh Vinh]

[Excerpt] [Passage omitted on Lenin's concepts in proletarianism and his work and devotion that resulted in the victory of the Great Russian October Revolution and the setting up of the first socialist state in the world] Dear comrades and friends, in commemorating the 124th birthday of Lenin, we should study his work and devotion to clearly understand his concepts. This will help us to have a correct stand in the current politico- ideological struggle. For this reason, our party has encouraged systematic studies on achievements and failure of the international communist and worker's movement, especially the collapse of socialism in Eastern Europe and the former Soviet Union. Through these studies we will clearly understand the real concepts of Marxism-Leninism to be able to renovate our thought to bring the doctrine into full play, thus catching up with developments of the era. At the same time, we will be able to uphold the Ho Chi Minh thought and promote socialism to formulate measures and orientations for our revolution in the current stage.

Our party's basic lines and policies are to renovate thought and concept while striving to oppose opportunism and revision and overcoming conservatism and dogmatism.

It is necessary to say that we are facing numerous difficulties in the politico-ideological struggle. As a result, we must strive to maintain and develop all favorable conditions to win in the struggle. The most fundamental favorable feature of our just cause rests with Marxism-Leninism and Ho Chi Minh thought. Although efforts are being made to study and overcome weaknesses in socialist concepts, achievements of the renovation process have testified to our correct application of Marxism-Leninism and Ho Chi Minh thought, especially in the current complicated changes at home and abroad.

Today, in commemorating great Lenin's birthday anniversary, we recall a foreign scholar's expression: Amid crises, there existed persons of genius who created historical events, such as Lenin and Ho Chi Minh. Indeed, they have written an unforgettable history despite changes and developments.

Le Duc Anh Visits Quang Ninh Province

BK2104143794 Hanoi Voice of Vietnam Network in Vietnamese 2300 GMT 19 Apr 94

[Text] From 15 to 18 April, President Le Duc Anh paid a working visit to the northeastern border Province of Quang Ninh, which belongs to the targeted economic development zone formed by Hanoi, Haiphong, and Quang Ninh.

After being briefed by leading officials of the provincial party committee and people's committee on socioeconomic development projects for the years ahead, President Le Duc Anh pointed out the great potential and important role of Quang Ninh in the renovation process and construction aimed at turning the province into a prosperous and beautiful part of the country.

The tasks and objectives of the Quang Ninh Province party organization and people are well-defined and aimed at promoting key economic sectors, namely production of coal, cement, and construction materials; processing of agro-forestry-sea products; and development of a sea-based economy, tourism, and service industries. Concentrated efforts are needed to help local coal producers and industrialists overcome difficulties in capital, technology, and marketing. First of all, it is necessary to invest in infrastructure building projects involving communications and transport, water conservancy, power transmission, and information and communications. It is necessary to accelerate the movement for wasteland reclamation and aquaculture as well as to create sources of raw materials for processing industries and exports. It is important to step up external economic relations, attract investment capital from local and foreign investors, increase export indexes of traditional and local products, and work out adequate plans to exploit tourist attractions. At the same time, it is necessary to step up the campaign against corruption and smuggling, restore order and discipline, and maintain political stability.

ıder Consideration Council Set Up

4 Hanoi VNA in English 0633 GMT 21

VNA April 21—A National Tender Con-
uncil (NTCC) has been set up to act as a
ody for the prime minister in inspecting
the tender results of state-funded projects
an 100 billion dong (about US 10 million)
es decided personally by the P.M. State-
s include those using money from the state
loan, foreign aid and state capital in
lishments. The National Tender Consider-
's duty is to organize the inspection and
tender results of projects from ministries
usiness enterprises, and then submit them
minister, for selection. Inspection and
ct] time is no more than 15 days after the
all documents about tender results. Prof.
, minister and head of the State Planning
the NTCC chairman.

h Secretary on Political Stability

*4 Ho Chi Minh City SAIGON GIAI
etnamese 29 Mar 94 p 1*

h Vo Tran Chi, member of the Political
ecretary of Ho Chi Minh City party com-
IGON GIAI PHONG correspondent Van
tical stability as the preliminary condition
omic development"—place and date not

Dinh] Dear comrade: The mid-term
congress has pointed out four dangers.
city view these dangers?

] All four dangers raise issues of equal
nd are interrelated. Therefore, concen-
must be made to overcome them. Given
tics of the city, however, top priority must
orts to overcome the danger posed by the
ution scheme. Hostile forces are imple-
peaceful evolution scheme on a nation-
Chi Minh City, however, is regarded as a
use it has all the conditions for the enemy
our political, economic, cultural, ideolog-
izational structures.

t is the objective of the peaceful evolution
se political instability. Meanwhile, polit-
s the preliminary condition for socioeco-
pment. Only when political stability is
n people throughout the country have a
ity while engaging in business activities
ng socioeconomic development. Political
o the preliminary condition for encour-
countries to make bold investments.

Dear comrade: That is the preliminary
there any other conditions?

[Vo Tran Chi] It is necessary to build a sound socioeconomic infrastructure. Socioeconomic infrastructure here means policies, laws, discipline, management mechanisms, and personnel who are competent and highly qualified for the overall development on the socioeconomic and political fronts.

[Van Dinh] Dear comrade: What should the city do to overcome the danger of being left farther behind economically?

[Vo Tran Chi] Intensive efforts must be made to effect economic restructuring based on the need for industrialization and modernization. Ours is an industrial city, but there still remains much room for improvement. In my opinion, as far as the 1994-95 period is concerned, drastic efforts must be made to improve technology, increase production output, and enhance economic efficiency. It is necessary to take practical measures to effect agricultural industrialization, thereby creating enough strength to promote socioeconomic development in the entire city and in surrounding areas.

[Van Dinh] Dear comrade: To this end, what is the most decisive factor for success?

[Vo Tran Chi] First of all, it is necessary to strengthen and enhance the leading role of the city party organization and the efficiency of state management agencies. Past experiences show that correct policies trigger quick responses from the masses and help rally the people around the party and make them act according to party policies and lines. Those policies guarantee both the common interests of the collective and the personal interests of each member of society.

In addition to correct policies, it is necessary to conduct propaganda activities, organize implementation, draw experiences, and make amendments to keep those policies more consistent with real life situations.

Furthermore, it is very important for the party organization, cadres, and party members to maintain firmly their political qualifications and socialist orientations. Therefore, it is necessary to consolidate grassroots party organizations and make them pure, firm, and strong so they can assume an overall leadership role in the new stage.

[Van Dinh] Thank you, comrade.

Vu Oanh Attends VFF Committee Conference

BK2004113894 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 18 Apr 94

[Text] The seventh conference of the Vietnam Fatherland Front [VFF] Central Committee, third term, opened in Hanoi this morning. Attending the conference were Comrade Vu Oanh, member of the Political Bureau and director of the party Central Committee Mass Mobilization Department; members of the VFF Central Committee Presidium; and chairmen of the front committees in 53 provinces and cities throughout the country.

The conference focused on the VFF Central Committee's draft report to be presented to the Fourth VFF Congress. It also evaluated the front's activities over the past five years and discussed the front-related tasks for the 1994-98 five-year period.

The conference also debated on the draft of the revised operating procedures of the VFF Central Committee before it is presented to the upcoming Fourth VFF Congress.

National Assembly Issues Communique

BK2204085194 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 21 Apr 94

[Text] The National Assembly Standing Committee met from 11-18 April under the direction of National Assembly Chairman Nong Duc Manh. Attending the meeting among others was State Vice President Nguyen Thi Binh.

1. The National Assembly Standing Committee has discussed the agenda and date for the upcoming Ninth National Assembly's fifth session. At this session, the National Assembly will review and adopt a number of important laws that have been revised on the basis of ideas contributed by deputies; review the implementation of National Assembly resolution on 1994 tasks during the first half of this year; and appraise results in implementing other resolutions. The National Assembly Standing Committee has decided to hold the Ninth National Assembly's fifth session in late May. It has charged various National Assembly committees to coordinate closely with the government and other concerned agencies to make urgent preparations to ensure a brilliantly successful session.

2. The National Assembly Standing Committee has heard the National Assembly Chairman report on the results of his 7 April meeting with the Prime Minister, the Chief Judge of the Supreme People's Court, the Chief Procurator of the Supreme People's Organ of Control, and representatives of other agencies concerned on the settlement of new and pending corruption and smuggling cases.

The National Assembly Standing Committee has unanimously appraised that the government has actively carried out this task in the past, while the investigation and prosecution agencies and the courts have strengthened their coordination to speed up trials on various corruption and smuggling cases.

To enhance its results, the National Assembly Standing Committee has requested the government to formulate concrete plans and effective measures to supervise sectors, branches, and localities to carry out tasks uniformly and implement the National Assembly resolutions consistently. Efforts must be made to motivate the people to participate in various activities while striving to develop positive factors against corruption, smuggling, and wastage. Various law enforcement agencies must integrate their efforts to seriously investigate and try a number of important, complicated cases so as to firmly maintain law and order and win the people's confidence.

The National Assembly Standing Committee has also heard and reviewed reports on the implementation of the National Assembly resolutions by various agencies:

—The Ministry of Building has reported on thriftiness and efforts to oppose wastage and corruption in capital construction.
—The Ministry of Trade and the Customs General Department have reported on measures to overcome shortcomings and eliminate negative practices in import-export activities.
—The State Inspection General has reported on the settlement of the people's letters of complaint and denunciation in the first quarter of 1994.
—The National Assembly Secretariat Office has reported on people's letters to the National Assembly and its leaders in the first quarter this year.

3. The National Assembly Standing Committee has also heard a report on the work of the National Assembly inspection team. Led by National Assembly Vice Chairman Phung Van Tuu, the team visited Long An Province to inspect enforcement of the Law on Land and the implementation of the National Assembly resolution on the practise of thrift and opposing wastage, corruption, and smuggling.

The National Assembly has commended the people and combatants of Long An Province for their efforts in fulfilling socioeconomic, national defense, and security tasks. It has urged the province to urgently resolve various pressing issues, especially in enforcing the law and implementing various resolutions as requested by the National Assembly inspection team.

4. The National Assembly Standing Committee has heard representives from the government and the National Assembly Culture, Education, Youth, Teenager, and Children Committee report on the implementation of the Law on Publications in the past.

The National Assembly Standing Committee has noted the government's initial achievements in regulating and managing the publishing and circulation of publications. It has asked the government to strengthen supervision over the Ministry of Culture and Information and agencies concerned to help them implement the Law on Publications effectively and thereby create favorable conditions for the development of culture and the arts, contribute to the opposition against negative practices, build a healthy cultural and spiritual life for the people, and serve the nation's comprehensive renovation undertaking.

5. The National Assembly Standing Committee has contributed ideas to the draft bill on amending and supplementing some articles of the Law on Military Service. It has asked the drafting committee of the National Assembly Defense and Security Committee to urgently revise and make public the draft bill to solicit ideas from the people, sectors, and echelons before

submitting it to the upcoming Ninth National Assembly's fifth session for discussion.

The National Assembly Standing Committee has reviewed and asked the National Assembly drafting committee and other agencies concerned to continue studying and soliciting more ideas from sectors and echelons to amend, revise, and submit the following draft bills to the National Assembly for consideration:

—The draft bill on amending and supplementing some articles of the Law on Income Tax for high-income earners;

—The draft bill on amending and supplementing some articles of the Law on Land and House Taxation;

—The draft bill on recognition and implementation in Vietnam of foreign arbitrators' decisions;

—The draft bill on rights and obligations of organizations at home in using land allocated or leased to them by the state. This draft bill is aimed at concretizing Article 3 of the Law on Land; and

—The draft bill on rights and obligations of foreign organizations and individuals who are granted land leases in Vietnam. This bill is aimed at concretizing Article 80 of the Law on Land.

6. The National Assembly Standing Committee has discussed measures to gradually increase the number of professional deputies in the provinces and to clearly define their tasks and activities to renovate and enhance the performance of the National Assembly. The National Assembly Standing Committee has also contributed ideas on improving the work of the National Assembly Secretariat Office and clearly defined the position, work standard, authority, tasks, and conditions of the office to ensure its effectiveness.

7. The National Assembly Standing Committee has heard a report on and welcomed the results of the recent official friendly visit to Vietnam by the Czech Republic Parliament delegation led by its Speaker Milan Uhde from 30 March to 2 April. The visit has contributed to consolidating and developing the traditional relations of friendship and cooperation between the peoples, parliaments, and governments of the two countries.

8. The National Assembly Standing Committee has heard a report on the results of the International Parliamentary Union's 91st conference held in Paris from 20 to 26 March. The Committee has welcomed the conference results, which have contributed to the strengthening of the relations of friendship and cooperation between parliaments of countries for the cause of peace, stability, development, and a bright future for nations.

9. The National Assembly Standing Committee has contributed ideas on establishing friendship teams to promote relations with other nations to develop our open-door foreign policy and diversified diplomatic activities and to strengthen friendship and cooperation between our National Assembly and that of other countries.

The National Assembly Standing Committee has charged the National Assembly Foreign Relations Committee with the task of forming a plan to set up friendship teams for submission to the National Assembly for approval.

Prices of Gold, U.S. Dollar Increase

BK2104094994 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 19 Apr 94

[Text] It is noteworthy in today's market prices that the gold price increased by 1,000 dong per ounce in the south while in the north the price decreased. The U.S. dollar increased by 10 to 20 dong per dollar in the north and the value of Chinese currencies is also higher than the previous day in Lang Son Province and Hanoi.

Rice in Ca Mau is 1,100 dong per kg, while in My Tho it is 50 dong cheaper. The price of agricultural products in central Vietnam is normal while the price of construction materials has increased in the north and decreased in the south.

Phan Van Khai Discusses Banking Sector Duties

BK2104031494 Hanoi QUAN DOI NHAN DAN in Vietnamese 29 Mar 94 p 1,3

[Article by Deputy Prime Minister Phan Van Khai: "What Should the Banking Sector Do To Meet the Development Demand of the Economy"]

[Text] Progress scored in 1993 by the banking sector has contributed actively to the general improvement of our economy. Many problems, however, still remain. While discussing cooperation in financial consultancy with foreign countries, our prime minister remarked: Finance and money are the two most important areas when we transform to the market economy under state management. These areas have made some progress and achievements. But they are far too short for our demand and too little when compared with our neighboring countries.

Therefore, in 1994 and the following years, the entire banking sector must further its renovation and satisfactorily accomplish the duties outlined in the government program of action. The important duty and requirement imposed on the banking sector by the national economy is that it must firmly stabilize the currency. This is one of the decisive factors for a stable macroeconomy and for the creation of a safe environment for savings and investment. Therefore, it must be considered a paramount duty in monetary management. This is a main and direct responsibility of the Central Bank and this responsibility must not be neglected. Although inflation has decreased and market prices have been relatively stable, our ability to control inflation is not very strong and the possibility of increasing inflation must not be considered lightly.

We resolutely have stopped issuing money to cover budget overruns. But with its current practice of providing credit capital to commercial banks, the Central

Bank cannot control and regulate monetary circulation and it cannot fulfill its role as a last credit provider in the credit system. And the two-level banking structure outlined by the stipulations of the banking system has not been correctly implemented.

The control and regulation of monetary circulation becomes more complicated when development investment rapidly occurs and foreign capital quickly enters the system. This causes the investment situation to overheat and damages price stability. In addition to that, many enterprises, government organs, and the public still use both U.S. dollars and gold to settle their financial transactions in the market. The bank cannot control this practice. In reality, there has been no progress in the attempt to make the dong the only currency used for financial transactions in our country. This is an urgent and complicated issue for the banking sector in its duty to control inflation and stabilize the currency.

Capital is badly needed to maintain and expand current business and production enterprises, build new establishments, and create economic transforming steps for industrialization and modernization. When the capital market is still primitive and without the existence of a stock market, the effort to fulfill the capital demand for different economic sectors and the public is a great imperative and challenge for the banking sector.

In 1994, the capital reserved for loans by the Investment and Development Bank is at least 6,300 billion dong, excluding 3,000 billion dong reserved for the electricity sector. The demand on capital by different sectors and localities is much greater, about 20,000 billion dong. Many urgent investment projects have not been able to find any funding sources.

Present enterprises are badly in need of capital to upgrade equipment and technology and to meet their higher demand to circulate capital. Our agriculture and rural areas also demand a great amount of capital to change their production structure; to transform the planting and cropping structure in central and mountainous provinces; and to invest in processing industries, building material production, and fishing boats. We must introduce processing industries to rural areas as outlined in the Fifth Plenum resolution in order to build new rural areas and improve the peasants' material and spiritual life.

At the mid-term party national conference, Comrade General Secretary Do Muoi stressed: Internal capital is decisive and external capital is important in the national construction process. Internal capital comes from higher economic efficiency, the practice of frugality, and the continuous rate of accumulation for investment. To raise internal capital resources, one must encourage the people to practice thrift for their own interest and for national prosperity, ensure adequate developing investment, and create conditions for better attraction and application of the external capital resource. In a strategic sense, internal capital has a decisive role, although in the beginning, external capital may account for a higher percentage in the total developing investment. According to the Statistics General Department, at the moment, there is about 20,000 billion dong (equals to $2 billion) of idle capital in the public domain. If it can be put to use, it will be an important source to develop investment.

The banking sector should develop cohesive coordination with other sectors to widen relations with foreign credit organizations, which offer acceptable interest rates. This credit then can be used in various forms as loans to business establishments and individuals at reasonable interest rates. This is an urgent task that needs to be started now or we might miss many development opportunities in 1994.

In the process of transforming to a market-oriented economy, it is impractical for central-level management to send out orders on projects to local authorities. The establishment of projects should be based on the development trend of our economic structure from now until the year 2000; credit and investment activities should be oriented by the industry-agriculture relations. The banking sector should be sensitive to all new demands, be apt in finding targeted customers, and be dynamic in soliciting credit partners and not using the usual sit-and-wait-for-the-customer practice.

Banking activities should be thoroughly revitalized before they effect changes in the economy. In many countries, banks never reject a loan proposal that proves to be efficient and will be repayed. Bankers will find other ways to finance a good proposal if funds are not readily available, including loans from other banks, raising funds, or calling for foreign credit.

Current bank interest rates are another issue that needs reorganization. In the present situation, most business capital, especially circulating capital, is obtained through bank loans. When the inflation rate is at a level that makes the borrower pay annual interest several tens of percent, then it is excessive and exceeds repayment capacity.

At the current interest rates for bank loans, business establishments will not be able to create any reserves nor expand their business after tax obligations are fulfilled. Business establishments are actually facing this difficulty. If businesses are unable to develop, their production activities will not expand or modernize. Competitiveness will be damaged and they will not be able to avoid further the danger of economically lagging behind other countries.

The interest rates, therefore, need to be adjusted more reasonably. This will allow businesses to develop and banks can develop their credit activities. Business establishments with sluggish activities need to be reorganized. Bank interest rates also have a direct relation to banking operation costs, which presently are too high. Measures should be worked out for more suitable interest rates.

We must strive for progress in foreign currency management in 1994. A foreign professor remarked that there is

now a trend of U.S. dollarization in liquidation [USD hoa trong thanh toanfor banks to guarantee their liquidating ability in all situations, using faster and more convenient methods, and using less cash. This will attract more funds for bank reserves. Liquidation procedures through banks quickly should be modernized. Banks should have concrete plans for investment in technology and equipment modernization and use all available fund sources, including the depreciation allowed by the government or overseas loans.

The last issue is the urgent need to train bank personnel at present and for the future. We need to gradually form a contingent of banking experts. We are also in need of experts to be sent to work at international and regional finance institutions.

We need to pay attention to both skills and character when training staff since these two elements are closely interrelated. Talent should be coupled with a high sense of morality, which can be effectively used, in every country. This is even more important as we pursue a socialist path: bank cadres should not see money above all else.

The banking sector should strive to fight negativity and corruption. It has to be reorganized to get rid of excessive, annoying, and redundant procedures. It also has to eliminate authoritativeness and other disturbing attitudes. This way people will see that the banking sector truly serves the people's interests and the national economy. The trust of the people and customers is a decisive element for the competitiveness of the state bank 21/03] in Vietnam. This is a dangerous trend and we need to be careful, especially when using the U.S. dollar to lend and repay capital and interest. We have to prepare positively and start as early as possible to carry out all operations of exchange, trade, and liquidation for goods and services using Vietnamese currency. All establishments with income in foreign currencies should sell those currencies to banks. Business establishments, according to operations demands, presently can keep suitable amounts of foreign currencies in their bank accounts for use to import supplies and materials for production activities or to expand business. Banks should ensure that business establishments can easily purchase foreign currencies whenever needed. Banks should operate in accordance with the economic structure and not rely on administrative orders to buy and sell foreign currencies.

Bank liquidation operations made some progress, but they are mainly manual and backward when compared with foreign banks. The target for the year 1994 is for banks to guarantee their liquidating ability in all situations, using faster and more convenient methods, and using less cash. This will attract more funds for bank reserves. Liquidation procedures through banks quickly should be modernized. Banks should have concrete plans for investment in technology and equipment modernization and use all available fund sources, including the depreciation allowed by the government or overseas loans.

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The banking sector should strive to fight negativity and corruption. It has to be reorganized to get rid of excessive, annoying, and redundant procedures. It also has to eliminate authoritativeness and other disturbing attitudes. This way people will see that the banking sector truly serves the people's interests and the national economy. The trust of the people and customers is a decisive element for the competitiveness of the state bank in the financial market.

Progress scored in 1993 by the banking sector has contributed actively to the general improvement of our economy. Many problems, however, still remain. While discussing cooperation in financial consultancy with foreign countries, our prime minister remarked: Finance and money are the two most important areas when we transform to the market economy under state management. These areas have made some progress and achievements. But they are far too short for our demand and too little when compared with our neighboring countries.

Therefore, in 1994 and the following years, the entire banking sector must further its renovation and satisfactorily accomplish the duties outlined in the government program of action. The important duty and requirement imposed on the banking sector by the national economy is that it must firmly stabilize the currency. This is one of the decisive factors for a stable macroeconomy and for the creation of a safe environment for savings and investment. Therefore, it must be considered a paramount duty in monetary management. This is a main and direct responsibility of the Central Bank and this responsibility must not be neglected. Although inflation has decreased and market prices have been relatively stable, our ability to control inflation is not very strong and the possibility of increasing inflation must not be considered lightly.

We resolutely have stopped issuing money to cover budget overruns. But with its current practice of providing credit capital to commercial banks, the Central Bank cannot control and regulate monetary circulation and it cannot fulfill its role as a last credit provider in the credit system. And the two-level banking structure outlined by the stipulations of the banking system has not been correctly implemented.

The control and regulation of monetary circulation becomes more complicated when development investment rapidly occurs and foreign capital quickly enters the system. This causes the investment situation to overheat and damages price stability. In addition to that, many enterprises, government organs, and the public still use both U.S. dollars and gold to settle their financial transactions in the market. The bank cannot control this practice. In reality, there has been no progress in the attempt to make the dong the only currency used for financial transactions in our country. This is an urgent and complicated issue for the banking sector in its duty to control inflation and stabilize the currency.

Capital is badly needed to maintain and expand current business and production enterprises, build new establishments, and create economic transforming steps for industrialization and modernization. When the capital market is still primitive and without the existence of a stock market, the effort to fulfill the capital demand for different economic sectors and the public is a great imperative and challenge for the banking sector.

In 1994, the capital reserved for loans by the Investment and Development Bank is at least 6,300 billion dong, excluding 3,000 billion dong reserved for the electricity sector. The demand on capital by different sectors and localities is much greater, about 20,000 billion dong. Many urgent investment projects have not been able to find any funding sources.

Present enterprises are badly in need of capital to upgrade equipment and technology and to meet their higher demand to circulate capital. Our agriculture and rural areas also demand a great amount of capital to change their production structure; to transform the planting and cropping structure in central and mountainous provinces; and to invest in processing industries, building material production, and fishing boats. We must introduce processing industries to rural areas as outlined in the Fifth Plenum resolution in order to build new rural areas and improve the peasants' material and spiritual life.

At the mid-term party national conference, Comrade General Secretary Do Muoi stressed: Internal capital is decisive and external capital is important in the national construction process. Internal capital comes from higher economic efficiency, the practice of frugality, and the continuous rate of accumulation for investment. To raise internal capital resources, one must encourage the people to practice thrift for their own interest and fo national prosperity, ensure adequate developing investment, and create conditions for better attraction and application of the ext rnal capital resource. In a strategic sense, internal capital has a decisive role, although in the beginning, external capital may account for a higher percentage in the total developing investment. According to the Statistics General Department, at the moment, there is about 20,000 billion dong (equals to $2 billion) of idle capital in the public domain. If it can be put to use, it will be an important source to develop investment.

The banking sector should develop cohesive coordination with other sectors to widen relations with foreign credit organizations, which offer acceptable interest rates. This credit then can be used in various forms as loans to business establishments and individuals at reasonable interest rates. This is an urgent task that needs to be started now or we might miss many development opportunities in 1994.

In the process of transforming to a market-oriented economy, it is impractical for central-level management to send out orders on projects to local authorities. The establishment of projects should be based on the development trend of our economic structure from now until the year 2000; credit and investment activities should be oriented by the industry-agriculture relations. The banking sector should be sensitive to all new demands, be apt in finding targeted customers, and be dynamic in soliciting credit partners and not using the usual sit-and-wait-for-the-customer practice.

Banking activities should be thoroughly revitalized before they effect changes in the economy. In many countries, banks never reject a loan proposal that proves to be efficient and will be repayed. Bankers will find other ways to finance a good proposal if funds are not readily available, including loans from other banks, raising funds, or calling for foreign credit.

Current bank interest rates are another issue that needs reorganization. In the present situation, most business capital, especially circulating capital, is obtained through bank loans. When the inflation rate is at a level that makes the borrower pay annual interest several tens of percent, then it is excessive and exceeds repayment capacity.

At the current interest rates for bank loans, business establishments will not be able to create any reserves nor expand their business after tax obligations are fulfilled. Business establishments are actually facing this difficulty. If businesses are unable to develop, their production activities will not expand or modernize. Competitiveness will be damaged and they will not be able to avoid further the danger of economically lagging behind other countries.

The interest rates, therefore, need to be adjusted more reasonably. This will allow businesses to develop and banks can develop their credit activities. Business establishments with sluggish activities need to be reorganized. Bank interest rates also have a direct relation to banking operation costs, which presently are too high. Measures should be worked out for more suitable interest rates.

We must strive for progress in foreign currency management in 1994. A foreign professor remarked that there is now a trend of U.S. dollarization in liquidation [USD hoa trong thanh toanfor banks to guarantee their liquidating ability in all situations, using faster and more convenient methods, and using less cash. This will attract more funds for bank reserves. Liquidation procedures through banks quickly should be modernized. Banks should have concrete plans for investment in

technology and equipment modernization and use all available fund sources, including the depreciation allowed by the government or overseas loans.

The last issue is the urgent need to train bank personnel at present and for the future. We need to gradually form a contingent of banking experts. We are also in need of experts to be sent to work at international and regional finance institutions.

We need to pay attention to both skills and character when training staff since these two elements are closely interrelated. Talent should be coupled with a high sense of morality, which can be effectively used, in every country. This is even more important as we pursue a socialist path: bank cadres should not see money above all else.

The banking sector should strive to fight negativity and corruption. It has to be reorganized to get rid of excessive, annoying, and redundant procedures. It also has to eliminate authoritativeness and other disturbing attitudes. This way people will see that the banking sector truly serves the people's interests and the national economy. The trust of the people and customers is a decisive element for the competitiveness of the state bank 21/03] in Vietnam. This is a dangerous trend and we need to be careful, especially when using the U.S. dollar to lend and repay capital and interest. We have to prepare positively and start as early as possible to carry out all operations of exchange, trade, and liquidation for goods and services using Vietnamese currency. All establishments with income in foreign currencies should sell those currencies to banks. Business establishments, according to operations demands, presently can keep suitable amounts of foreign currencies in their bank accounts for use to import supplies and materials for production activities or to expand business. Banks should ensure that business establishments can easily purchase foreign currencies whenever needed. Banks should operate in accordance with the economic structure and not rely on administrative orders to buy and sell foreign currencies.

Bank liquidation operations made some progress, but they are mainly manual and backward when compared with foreign banks. The target for the year 1994 is for banks to guarantee their liquidating ability in all situations, using faster and more convenient methods, and using less cash. This will attract more funds for bank reserves. Liquidation procedures through banks quickly should be modernized. Banks should have concrete plans for investment in technology and equipment modernization and use all available fund sources, including the depreciation allowed by the government or overseas loans.

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Mekong Delta Province Reaps Record Rice Harvest

BK2104032894 Hanoi VNA in English 1446 GMT 20 Apr 94

[Text] Hanoi VNA April 20—The Mekong River delta provinces have got a record rice harvest this year in terms of acreage, yield and total output, a source from the Ministry of Agriculture and Food Industry said.

Some 1.09 million ha were put under the 1993-1994 winter-spring rice crop in the whole region, an increase of 60,000 ha as compared with the corresponding crop last year. By early April, farmers in these provinces harvested more than 886,000 ha with an average yield of 4.82 tonnes per ha, up 0.3 tonne over the previous crop. An Giang and Can Tho Provinces obtained the highest average yield of 6 tonnes per ha. Parlicularly some farmer households got 10 tonnes per ha. The Mekong delta provinces are expected to get 4.5 million tonnes of paddy, up 700,000 tonnes in comparison with the previous crop. The Mekong delta is Vietnam's biggest rice producer. Last year its total output of paddy stood at nearly 11 million tonnes, double the country's total paddy output in 1975.

Development Plan for Bac Bo Lowlands Approved

BK2104012394 Hanoi Voice of Vietnam Network in Vietnamese 2300 GMT 18 Apr 94

[Text] On behalf of the Government's Standing Committee, Deputy Prime Minister Phan Van Khai has approved the targeted development plan for the Bac Bo lowlands. The plan was presented at a recent meeting with chairmen of the people's committees of Hanoi and Haiphong Cities and of Quang Ninh, Ha Bac, and Hai Hung Provinces.

Under the plan, the cities of Hanoi, Haiphong, and Ha Long of Quang Ninh Province will play a strategically important role in the socioeconomic stabilization and development program for the Bac Bo lowlands and the country as a whole. Hanoi, Haiphong, and Ha Long will become the entrances to the Bac Bo lowlands and key industrial centers. These cities show great potential in tourism, mineral resources, manpower, and sea-based economy. They also create many favorable conditions for exploiting and upgrading local sea port facilties to the same standards set by other sea ports in a number of Southeast Asian countries.